

THE UNIVERSITY OF BIRMINGHAM

## **Urban Governance, Partnership and Poverty**

Working Paper 26

# **Democracy, Inclusive Governance and Poverty in Bangalore**

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The Department for International Development has funded this research programme, which it hopes will be of value to policy makers and practitioners. The facts presented and the views expressed are those of the author, and do not necessarily represent the policies of DFID.

## ***Executive Summary***

*The main argument in our report is that in cities, like Bangalore, characterised by sharp and increasing divides between rich and poor groups, democracy and in particular, local democracy is critical in shaping poor groups' opportunities for survival and social mobility. Local democracy shapes opportunities for political and institutional access to poor groups, thereby making it possible for them to influence pro-poor policy decisions and its implementation. Ensuring a representative structure at the local level, even if un-even, places local groups and the poor among them in a pro-active situation rather than remain as passive beneficiaries of poverty schemes. We develop these arguments by taking a grass roots view of development processes in different localities of Bangalore. In order to understand the pro-poor urban process, we developed a framework of Local Economics, Local Politics, and Local Land Settings.*

*The report is divided into two parts – the first part of the report describes four localities not targeted by official poverty programmes. The second part of the report focus on official poverty programmes aimed at empowering poor groups and enhancing their access to governance institutions.*

*Our first case study – Valmikinagar in North Bangalore focuses on a locality dominated by different types of poor groups in the city. At a first glance, these areas seem messy, un-planned, and highly politicised; it is precisely these factors that create opportunities for poor groups in the political and economic arena for surviving in the city. Our investigations reveal complex support systems that have evolved in those areas where poor groups congregate. Places, such as this, were found to be characterised by distinctive and dense local economic clusters linked to real estate, trading, and manufacturing, and were controlled by different migrant ethnic groups. Our report also highlights the complex financial circuits that are "layered over ethnic relations" (an invisible complex), allowing for a very rapid movement of capital between different kinds of economic circuits, and in some cases, between different regions of the country. These also, interestingly, link in a cyclical way, to investments to and from rural areas. These places were found to be highly politicised, influenced by ethnic and regional affiliations. These localities were considered by administrators and other residents as a "melting pot" of communal and regional tensions, also proved to be the sites for poor groups to enter into complex relationships with other powerful agents – including local leaders and local elites and to evolve sophisticated political strategies for institutional access and for laying claims on city's productive resources. Another interesting feature of such places is that their economies and politics have a strong history linked to land ownership and its development. These vibrant economic-scapes are made possible by the evolution of diversified land settings and are distinctive not only in terms of physical form or market characteristics, but shaped by the way different ethnic groups have settled in over time to evolve complex forms of tenure. The interdependency of local elite and poor groups shaped by local economy and land development form an essential ingredient for pro-poor political alliances to emerge, which is critical in influencing pro-poor policies at the local government level.*

*Thus, one of our interesting findings is that pro-poor governance emerges from interdependent coalitions between local elite and poor groups, which are shaped by common links in the local economy and political alliances especially on issues of land regularisation. In all this economic and political vibrancy there are also constraints. Increasingly land in places dominated by poor groups is coming under pressure from many quarters -- including coalitions of the elite. This comes out clearly in the second case study in the report- KR Market documents the emerging constraints for poor groups to retain their access to productive places in the city. The capability of poor groups to retain their access to pro-poor urban places is thus linked to land – politics relationships. In places where local elites are not linked to local land development process and local economies, poor groups face high risk of retaining their access, as the possibility of alliances with local power structures remain fragile. This led us to suggest that places like KR Market, characterised by dense local economies, serve as "learning environments". Such areas provide entry into economic and political systems, and as sites for accessing critical information and political networks in the city. Having established their foothold in the city, **poor groups need to move out to other peripheral areas as Valmikinagar to "move up in life"**. Another important point that emerges from the KR Market case study is the limits to local democracy. This raises the question of under what conditions are local power structures able to intervene on behalf of poor groups? We feel that while this relates to a complex set of factors, an important one is that imposed by institutional arrangements for urban governance. The ongoing efforts at*

*urban renewal through mega city projects, and "mega" infrastructure development have led to serious economic and political impacts. In essence they tip the balance against the poor -- making it harder in the face of both local and local elite.*

*The case study on BTM layout explores the constraints imposed by institutional arrangements and limitations of agents i.e. poor groups and their political coalition ability in resisting adverse outcomes. We identified two other process that affect poor groups adversely. One threat comes from Master Planning and the increasing influence of State Government controlled Development Authorities. These institutions and forms of urban management promote a very restrictive form of land development, regulation of economic activity, and perhaps most importantly promote the interests of elite groups who compete with poor groups to access productive locations and public resources. An important constraint faced by poor groups in accessing such institutions, is the lack of democratic representation in them. Controlled by bureaucrats, and state level politicians, the local politicians find it difficult to influence their decision making process.*

*In many senses, our research is rarely linear and aims to explore the dialectical aspects of the complex processes of urban change. For instance, several of our observations raise issues relating to broader concepts and issues of "empowerment", "participation", and the issues of rights. We feel that these concepts need to be viewed more closely in the context of a much more complicated terrain. This comes out most clearly in our focus on official programs including those involving NGOs. Our review suggests that they rarely take into account the kind of pro-poor processes and supportive mechanisms. Here, efforts by even well meaning individuals and NGOs promoting these "goals" in a narrow perspective seems to result in a good emotional documentary but not necessary the best bargain for poor groups. At times, as we show, they can have seriously regressive consequences for poor groups. A more linear, simplistic and narrow approach often view local power structures as an obstacle to the empowerment project -- distrusting the poor and their ability to judge and act. One could almost argue that such approaches betray a distrust local democracy. On the contrary, some of these interventions are regressive to poor groups disrupting economic and political opportunities.*

## AN EXPLANATION OF THE COVER PAGE

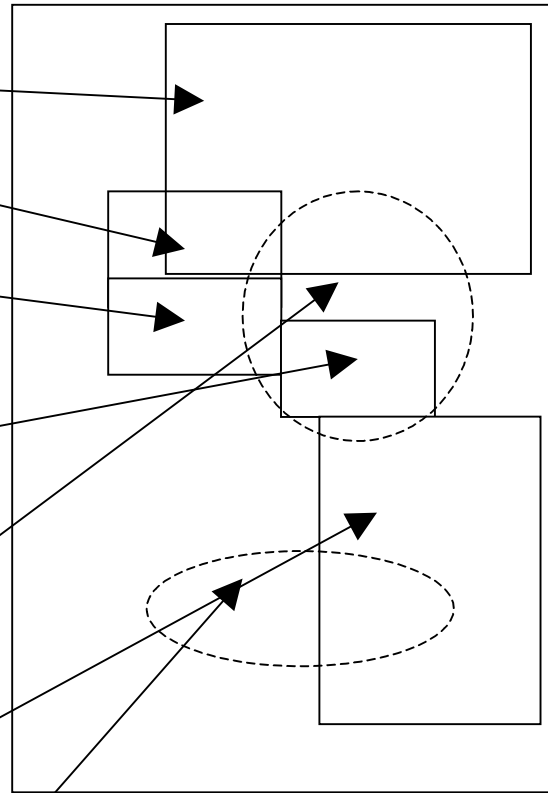
The cover page is a collage portraying a contrast between two forms of urban development. The upper section is an extract from the Government of Karnataka's official web site showing the state legislature building with its new IT park looming over it. Also seen in the circle inset is a group of supposedly young and modernised IT employees in corporate suits.

Superimposed is the IT Park at White field in Bangalore. This is a large urban designed complex of steel and glass and forms the State Government's main thrust towards the modernisation of Bangalore. Inter-spaced with this is an image of the formal opening ceremony of the Bangalore's ring road -- a high-speed arterial way aimed to reduce traffic congestion. This too is a mega-project -- attracting large funds contributing to a crisis in Bangalore's municipal finance but arguably with little impact on traffic congestion. This image also shows the young school children that were forced to stand in the hot sun for over three hours to salute the Chief Minister's motorcade as it passed through. The third image is of the Rapid Action Force -- an anti riot police specifically set up to deal with urban riots. The image was of this force attempting to quell the riots in Bangalore during the recent abduction of a famous film star when mobs targeted both the Tamil minority community and also steel and glass corporate structures in the CBD area of the city.

The three images are overlaid by a part of the diagram showing the socio-political relationships between different elite interest groups and higher levels of government promoting mega-projects such as the IT Park. This is an extract from the discussions in Section 2 (Exhibit 6) of the report highlighting our main arguments.

The lower part of the cover page shows a photo of a typical mini-water scheme used to extend drinking water lines in poor areas -- mostly under political pressure. Just as the multi-storied urban design complexes form vital infrastructure for the corporate private sector, these tall concrete water storage tanks with their mini-pumps below form critical infrastructure for a vast majority of Bangalore's population especially its poor.

The diagram is an extract from Section 2 (Exhibit 2). It shows the socio-political relationships that underlie upgrading processes like those getting in basic infrastructure and services. These are between politicians mostly at the municipal level and residents at the ward level. These governance circuits contrast those used by richer groups promoting settings for corporate economic as suggested in the upper part of the cover page.



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The authors would also like to thank and acknowledge the intense involvement of the research team. This was critically important given the investigative format of research that this document is built upon. As authors we state that many of the most interesting sections of the research came not in a pre-planned way but as "leads" in our group discussions, which then members of the team decided to investigate in greater detail. All this requires initiative and passion for the issues at stake -- which the authors are grateful for.

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There will also be several errors and also misinterpretation -- which remain the responsibility of the authors.

### ABOUT THIS RESEARCH

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The research involved research teams in each of the nine cities in Asia, Africa, and Latin America and a coalition of UK based research groups from the University of Birmingham, the International Institute for Environment and Development (IIED), the University of Wales, Cardiff and the London School of Economics. This study and other city case studies, and also the theme papers, may be obtained from the Publications Office, School of Public Policy, University of Birmingham, Birmingham B15 2TT, UK; Tel: (44) 121 414 5014; fax: (44) 121 414 4969; e-mail to: [u.grant@bham.ac.uk](mailto:u.grant@bham.ac.uk). The first stage city case studies cost UK, 10 pounds each (including postage) but are free to NGOs and teaching institutions in non-OECD countries. For this report on the second stage of the research, please write to the School of Public Policy University of Birmingham. Summaries of this and other city case studies also feature in the April 2000 edition of *Environment and Urbanization* (Vol. 12 No. 1).

The authors of this report would welcome comments on this work and be happy to respond. Solomon Benjamin can be contacted by email at [solomonbenjamin@hotmail.com](mailto:solomonbenjamin@hotmail.com) or [solly\\_benjamin@vsnl.com](mailto:solly_benjamin@vsnl.com) or via phone at 91-80-552-5485. Bhuvanewari R can be contacted at [B.Raman1@lse.ac.uk](mailto:B.Raman1@lse.ac.uk)

### ABOUT THE RESEARCH TEAM:

Solomon and Bhuvanewari are perhaps the most academic of the team. Solomon, with a background in housing followed by urban studies, operates as an independent researcher and consultant to NGOs and international



development organisations like the UNDP and the SDC. He focuses on issues of urban governance, local economic development, poverty and land issues. Bhuvanewari, with a background in architecture and Urban Planning, is currently at the LSE doing her graduate studies. She worked with the Bangalore Urban Poverty Project as the Habitat Co-ordinator and before that with NGOs. Guru Raja works with TIDE, an NGO in Bangalore focusing on issues of urban governance and also rural development. He is an environmental activist and involved with civic and environmental movements in the Coastal regions of Karnataka. Manohar works with an NGO in Bangalore on education issues. He has been a political worker with a long association with political groups in Bangalore. Valli and Rajan are both lawyers by training. They have worked in NGOs and also function as political activists. Valli has been involved in organising single women households in the central city market areas of Bangalore and hawker groups. Rajan after working with NGOs in Bangalore is currently working as a lawyer in a small town in South Western Karnataka. Viswanath, a civil engineer by training, worked in a central government housing finance institutions before starting off on his own as a consultant on rainwater harvesting. He has been involved with civic movements in Bangalore for some time now. Anjali operates as an urban planner in Bangalore.

## **SECTION 1: Introduction**

Bangalore is a divided city. Its growing international reputation as India's information technology (IT) capital contrasts the lack of access of large groups of people to basic amenities, especially clean drinking water. While the State Government offers new and an increasing number of tax breaks to the IT sector as an effort to develop, on the other hand, Bangalore's local government struggles in coping with the outbreak of water borne diseases like the recent spread of Gastro-enteritis. Urban divides and policy fractures are common place in Indian cities and cities in other poor countries, including some rich ones too.

### **1. Our arguments**

Our main argument is that democracy and in particular, local democracy is vitally important in shaping political and institutional access that result in pro-poor and inclusive decisions and outcomes. The pro-poor processes we describe are often fractured, dialectical, and complicated in nature. We see these in a context of competing structures of governance each relating to particular ranges of economic processes and shape land settings. One would hardly expect that development in a complex cultural context like India would be neat and clean. With the argument of democracy, we move beyond considering its techno-managerial and constitutional aspects to focus more closely on its political and economic underpinnings. An emerging representative structure at the local level, even if un-even, place local groups and the poor among them in a pro-active situation rather than remain as passive beneficiaries of poverty schemes formulated with little or no popular participation. Democracy is critical for poorer groups to define development on their terms. While at first glance, our stress in this report, due to the emphasis on land issues, would seem to be on the spatial aspects of poverty, it is not that we do not appreciate the importance of non-spatial aspects of poverty for instance, issues of vulnerability<sup>1</sup>. Also, several non-spatial issues emerge in our discussion of local level political processes in Section 3. Our main attempt, as part of the broader issue of access, is to show how inequity and access is shaped by governance and institutional structures that are particular to urban areas. In exploring the urban characteristics of poverty, we emphasise what seem to be the operation and consequence of urban political systems and forms of planning. We also emphasise other urban issues -- those of emerging local economies and land issues. Thus, while there are several aspects of

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<sup>1</sup> See for instance, Moser, C. (1998) The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies, World Development 26 (1): 1-19;

poverty that are common to rural poverty, our scope, limited by time and budget, has been to highlight urban themes as a specific selection<sup>2</sup>.

With this urban focus in mind, we come to the conclusion emphasising the issue of local democracy. We make three sub arguments in exploring the terrain of local democracy:

***1.1 Local Democracy essential to consolidating economic clout:*** The first is about the economic aspects of pro-poor processes. Here, a key issue is not only over access to welfare services but conflicts on economic grounds. Academics and administrators (especially those at the central government) have recognised the in-effectiveness of urban poverty and employment programs. Financial targets are not met and more critical, the non-poor benefit. Their emphasis still remains on ‘development’ that is to trickle-down and official programmes usually defined poverty in narrow welfare terms. Our conclusion is that one of the main problems of conventional poverty approaches (both public and NGO centred ones) is that they ghettoise poverty issues in a divide between economic development and poverty interventions. Poor groups in the official perspective are seen as passive and homogenous recipients of ‘development’. We promote a less patronising view to emphasise poor groups as active agents operating in diverse and times complex alliances with more powerful groups too. Our conceptualisation, built via a closer look at political processes, suggests that local democracy open up possibilities for the poor to participate and shape distinctive forms of local economies. These are clusters of micro-enterprises that provide local groups with multi-faceted economic opportunities. All this is despite being ‘slum like’ -- since most are neighbourhood and often home based. Urbanisation here brings together possibilities of material resources via real estate surpluses, and also clustering of ethnic groups. This interaction paves the way for skills, resources, and access to markets and also possibilities for unexpected and complex political alliances. As a major employment provider of poor and other groups, we highlight the complex organisation of local economies, their intrinsic linkages to local society, and links to financial circuits at various levels: neighbourhood, city, and also regional levels.

To emphasise this point, we purposefully down play a "welfare" approach to describing poverty. This is not to minimise its importance. In the first stage report for this research, we had specifically shown the lack of access to basic services like clean water by a large section of Bangalore's population. Later in this report, we highlight the importance of the UCD program, which we feel had important welfare impacts.

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<sup>2</sup> The issue of approaches to poverty -- from income based approaches to those focusing on capabilities and as part of sustainability, in the context of the findings of this research can be looked at as a separate and distinct piece of research.

Our attempt here is to highlight the political struggles that underlie governance. That struggle is political and over economic territory where land plays a key role. This too has significant welfare impacts. The legalisation of land allows for clean drinking water to be extended, flood-prone low lying areas to be filled in, Public Distribution Outlets and 'Ration Card' needed to access these to be distributed, health centres to be managed; all with far more substance than the mere announcement of a new finance disbursement scheme aimed at 'below the poverty line' persons. It is for this reason that we also move beyond the official schemes of poverty alleviation to look at the vast majority of poor groups who deal with the city more directly. We had argued in the first stage that it is not a matter of the lack of reach of these programs. They just did not address the fundamental issues that confront poor groups. Democracy, especially local democracy, forms this vitality and 'idea' of Indian society.

***1.2. Local Democracy and the governance of urbanisation:*** Our second sub-argument focuses on land and infrastructure issues in formation of urban terrain. Our focus is not only in its managerial and functional sense, but specifically its institutional and political dimensions. This has two aspects: First, in highlighting tenure issues and thus the formation of claims to urban location, we move from urban governance to the governance of 'urbanisation.' By this we imply that the settlement process of land, especially on the urban periphery, is of particular significance in that it reflects the consolidation of political claims. In our case studies from outer Bangalore, it is these frontier areas where association members and social workers are drawn into politics. The rungs up the political ladder have much to do with how they are able to nurture a potential constituency on land issues. In a similar way, a lower level urban local body on the verge of being incorporated into the larger municipal corporation attracts new political aspirants, since the financing of political mobility is easier via this institutional integration, as compared to entering politics directly at the city level. Here again, land regularisation and development offers the greatest variety of ways to establish political constituency. This is not to downplay political mobility via other ways, for instance via party affiliations of the youth wings. Our point here is to highlight the urban characteristics of the issue of political mobility. Also, we argue, the responsiveness to poverty issues as political compulsion of mass party politics is quite different to 'developing' a local base reinforcing political autonomy and representing the complex coalition based politics that flavours current Indian politics. In the latter, land based issues offer the widest possibilities for political entry.

Second, we view land not only as an issue from the housing perspective (as is commonly focused upon in issues of urban poverty) but an active ingredient for economic strategy of poor groups. The reader

would note that our emphasis is on the situation of poor groups rather than a 'firm' facing economic choices. Here, we see that land interfaces with economy in three ways for poor groups. First, this is in terms of access to productive locations. Here, the issue is of access to multiple employment opportunities, which highlights the specific nature of poor groups in urban areas. Second the upgrading of infrastructure and services (the quality of land) influences both the productive potential and also reinforces tenure claims. Third, the diversity of tenure regimes that allow for poorer (among other groups) to consolidate their claims on contested locations via economic linkages within a growing local economy. Thus their participation in a local economy becomes critically important when higher income groups (often with greater institutional powers backing them) also claim those productive locations.

Land issues in this multi-dimensional and intensely political sense, play a significant role in the relationship between poverty and economic development. The productivity of enterprise, for example, small steel fabricating home based shop, a hawker selling vegetables on the pavement, or a home based weaving loom, are all spurred when roads are upgraded, new electricity lines brought in, low-lying areas filled up, or with new bus connections. Established planning regulations, however, designate these activities as illegal (or border on illegality) reducing the claims to these locations. This is not a neutral technical act but highly political. In parallel, the official planning process paves the way for economic uses and processes that cater to the interests of higher income groups. Political power brought about by complex alliances is critically important given the relatively easy access of higher income groups to decision making at higher bureaucratic and political levels which define the allocation of public infrastructure, space in a centralised way. In this complex arena, interventions that reinforce poverty can come from many different sources: Regressive land regulations that de-legitimise poor groups, but also in the form of urban renewal projects that in a life-threatening way, disturb existing socio-economic and political relationships. Local democracy provides the vitally important inroads into moderating and influencing public policy on livelihood issues by shaping the politics of land in favour of the poor.

The reader will notice from the above arguments and later from the specific case descriptions that we emphasise the urban arena as a contested one. In fact, we purposefully downplay the issues of housing, which would otherwise be a major issue in studies of urban poverty using a conventional conceptualisation. On the contrary, when we focus on housing issues we emphasise the point to show how "doing housing" can result in poverty being reinforced. This is not to say that housing is not

important but rather to highlight the issue of land claims in an economic terrain as being more critical. Thus, when poor groups struggle to access productive locations to tap the wealth created by urbanisation and the politics of the process reinforces the issue of local democracy.

**1.3. Local Democracy for institutional access:** Our third sub-argument focuses on institutional aspects. One of our main conclusions of our first stage report was that urban governance needs to be viewed in terms of various types of political /administrative circuits. These involve rich and poor groups who compete to access productive locations, to attract and also to define the form of public investments. Derived from this, is a view of planning not as a unitary non-partisan system but shaped by claims made by various groups (including poor ones) to access public resources, land in productive locations, and public interventions. Second, there are several types of planning, each relating to different institutional alignments. At one level, is Master Planning promoted by Development Authorities under the control and direction of State (Provincial) Governments. The emphasis here is on creating a new terrain with its products being urban designed mega commercial or industrial projects, mass housing, site and services, which are neatly zoned into single use areas.

Another type of planning is more nebulous, flexible, and complicated. This comes out of institutional processes located at the lower and middle level bureaucracies of municipal bodies and also at times at the level of State Government. Planning here is not as much physical as it relates to regulatory procedures --a congruence of administrative procedures and their interpretation. This is because unlike Master Planning, it is largely reactive to interventions carried out by individuals and groups. The focus here is on the upgrading of infrastructure and services. Planning of this form relates to an incremental development process of land being settled, with mixed land use emerging to accommodate commercial, service and manufacturing uses. These areas are also the ones that cater to the middle and lower income groups -- almost 70% of the urban population.

A significant difference is that while the latter form of regulatory and administrative procedures based planning is reactive and happens in parallel to the incremental building up of urban landscape, Master Planning quite often focuses on the replacement of what exists. This includes at times physical demolition and reorganisation of the urban landscape. The other significant difference is the political aspects embedded in their institutional structures. Master Planning reflects the strong influence of State level processes. The main groups who can access these higher levels of bureaucratic and political circuits with ease are the elite and higher income groups of the city. It is hardly surprising that the main

clientele of Master Planning form barely 15% for housing and even less in terms of commercial and manufacturing uses in terms of employment figures.

Why should forms of planning be relevant to poverty alleviation? As we will show in some detail, this is at several levels. First, its relationship to land policy means that most often Master Planning delegitimises the claims of poorer groups to land. This by default also moves them out of access to poverty schemes like the PDS, and makes access to regular water supply more difficult due to the land tenure conflicts that restrict upgrading. More critical is the impact of this de-legitimation to locations close to job opportunities. All this is while opening up access to higher income groups, it is setting up and tightening up competition to poorer groups. Thus, planning and institutional forms are integral to the politics of contested territory.

We feel that there is also a significant conceptual issue here. By recognising the diversity of governance circuits, we stress the need to distinguish between the different levels of State, and in particular, the Local State. We argue that it is at the level of the Local State that poorer groups are able to make significant political inroads to influence decision-making system in their favour. In contrast, elite groups use and promote more central forms of governmental decision making and interventions. Furthermore, interventions by the Local State are instrumental in establishing a supportive environment for local economies, mainly via land regulation and regularisation. It is hardly surprising that 'divided-cities' are characterised by serious conflicts between local and higher level of government. Thus, the extent to which local economic interests (whose economic productive is enhanced by such interventions) can reinforce and shape political clout and the autonomy of the Local State is a key issue. Interestingly, we suggest that pro-poor processes can emerge from alliances and constituencies that cut across income groups and bound by complex reciprocal relationships centred on land development and the local economy. The Local State is the most likely institutional arena where these complex and otherwise contradictory interests converge. Our conceptual framework differs from a unitary perception. To emphasise this point we caricature this image, across ideological positions:

*A neutral homogenous State responsible for the planned provision of access to resources (land, services, incomes, amenities) to all groups including the poor ones. While there are some specific differences in priorities, a main function of the State in its contemporary function is to cater towards a dominant (corporatised) economy. This is by ensuring access to high quality infrastructure, 'safe and clean' cities -- including making cities to function as global investment centres. Urban development here is seen to happen via Master Planning -- an essential ingredient of Modernisation. 'Unplanned areas' symbolise the exploitation by the local elite of*

*poor groups, making cities in-efficient and un-productive places. On the poverty end, State policy is also to ensure a representative democracy to ensure that poor groups are not caught up in a 'patron-client' relationship with the local elite and to diffuse a regressive 'vote-bank' politics. The role of the unitary state is seen to ensure access to housing and other 'social' services. All this is within a benign governance structure facilitating the process of modernisation by de-regulation, ensuring transparency, bureaucratic re-structuring. Development seen here, (to draw from Lisa Peattie's critique), is a trajectory from folk to modern societies.*

Our fieldwork reveals a more complicated picture and one that is more dialectical in its so-called development trajectory. A closer focus on political processes for instance, suggests that notions of "patron-client" relationships need to be carefully examined to avoid being driven by ideological perceptions. Another issue is of doing "housing" as a central focus of alleviating poverty. A third is that the messy slums need to be replaced by Master Planned development. All these are in our perspective issues requiring clearer analysis.

In a similar way, an important issue is an accurate understanding of institutions. Here, we suggest that the essence of democracy is local access. We suggest that it is vitally important to observe closely the mechanisms used by poor groups in influencing policy or decision making and also the implementation process. Our observations reveal two paradoxical (and provocative) aspects. First, the concept of the *Porous Bureaucracy*.<sup>3</sup> Here we find that institutions that provide access to local groups (especially poorer ones) can on the surface be look like a bureaucratic mess and seem 'non-transparent'. These very characteristics can allow influence by local groups using their political clout under a particular range of political and social conditions, commonly called 'vote banks politics.' Political strategy here is not always explicit, and to capture this, we introduce the term *Politics by Stealth*. Our main argument is that influencing, subverting official procedures in contradiction of planning policy happens not only by the more visible politics by public protest, but by a sophisticated knowledge of how to play the institutional levers of the system. In this context, it is hardly surprising that the institutional arena where the *Politics by Stealth* most effectively happens and where bureaucracies provide easy access via the *Porous Bureaucracy* is the municipal level.

**1.4. Urban management versus Urban Governance:** The issue of Local Democracy seems useful to help differentiate between concepts of governance and a narrower view of urban management.

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<sup>3</sup> This is a concept that has been introduced and explored by one of the authors in his earlier work in the context of land regularization in Delhi (Benjamin 1989,1996) but as will argue is more widely applicable.



Urban issues can be viewed at several levels. One has to do with more technical aspects posed from a normative perspective. This can be for instance:

- 1) Ways to get a sewer line into a dense squatter settlement with the least amount of disruption;
- 2) More efficient ways of solid waste management;
- 3) Better accounting procedures making the management of municipal finance more efficient;
- 4) Municipal organisation of various professional and administrative staffing;
- 5) Public interventions to promote micro-enterprise.

At the second level of analysis, the issue is one of perceptions and information of how things work.

This can relate to:

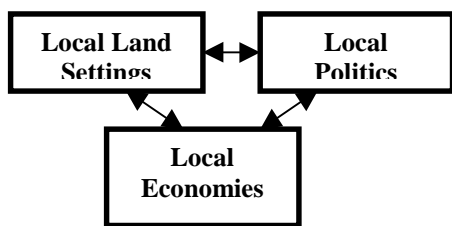
- a) How the lower level bureaucracy, administration, and various resident groups relate together when a sewer line is upgraded?
- b) How do home based enterprises and hawkers finance their enterprise?
- c) What happens during migration and what are the types of relationships between those in the city and those groups back in the villages?
- d) What are the types of survival strategies that poor groups use at different times and are these influenced by location in the city?
- e) What are the relationships between land development its real estate markets and local financing systems?
- f) What funds the evolution of local economies, which provide the bulk of urban employment?
- g) How does a waste-recycling system operate at the neighbourhood level involving diverse ethnic groups?
- h) How do poor groups (especially migrants from other regions) develop political clout?
- i) Which government institutions shape particular forms of decision making and where do local governments fit into all this and how much clout do they really command?

A third level of analysis could focus on why is it that things work in a particular way. This is a focus on the congruence and conflicts of interests, alliances formed along political, ethnic, regional, caste, economic, professional lines. This can refer to several types of questions:

- i) What it is that allows richer groups to shape investments in their favour and how do they compete with other groups in society?
- ii) What is it that allows poor groups to subvert the attempts of richer groups to demolish their residences and clustering enterprises?
- iii) Why is it that municipal budgets are framed the way they are and what is their relationship to higher level decision making;
- iv) Why is it that micro-enterprise promotion stresses on access to finance sidelining issues like access to land in productive location and infrastructure?
- v) What are the way by which poor and rich groups claim access to location?
- vi) What sustains Master Planning as a method even though in a functional sense it seems to provide such limited value?
- vii) Who really benefits and loses from "transparency" in management?

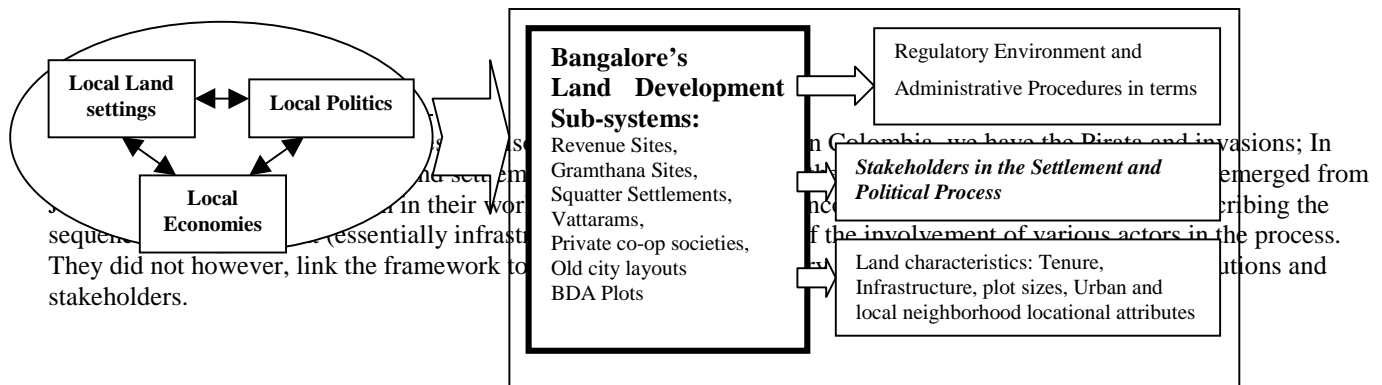
If issues of urban management (the first level of questioning mentioned above) and those of Governance (the second and third level of questioning) are not differentiated, (as commonly happens in the press, developmental reports, and in academic literature too), then many of the vital issues of stakeholder risk are being discounted; posing them as ‘aberrations of the system,’ or a ‘temporary stage’ in the road to development. Governance has to do with contested territory and to relate this to urban poverty means to help identify what makes poor people poorer or dis-empowered, and the reverse, in relation to other groups. It is hard to imagine a city in rich and poor countries where Governance can be viewed merely as a technical /managerial issue having nothing to do with power, an intensive politics, wealth, and poverty.

## 2. Methodological Frameworks: Local Land settings, Local Economies and Local Politics

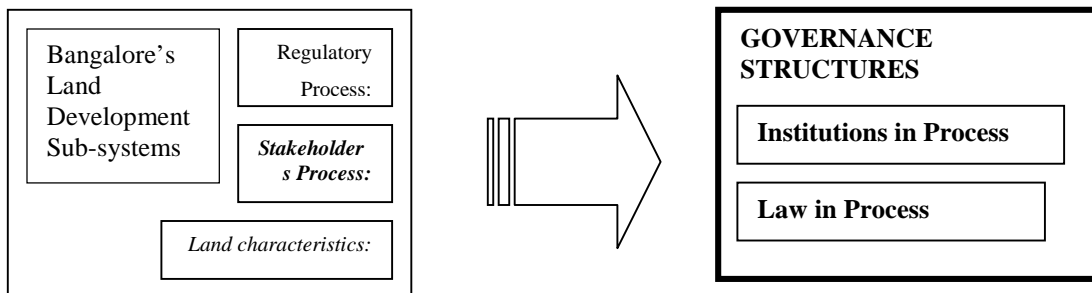


To develop a more comprehensive approach to urban poverty, we conceptualise poverty within a broad conceptual framework linking *Local Politics*, *Local Land Settings*, and the *Local Economy*. This is shown above. Our methodological

framework for this research has largely been inductively derived. Although for the sake of presentation, we have presented our arguments centred around Local Democracy. Before presenting this methodological framework we started with this research by sketching out this relationship as a operating guide to our field work and research categories. Given our broad cut at the issues rather than treat land as a homogenous element for Mass Housing, we focused on its diverse settlement systems, especially those where poor groups find shelter and livelihood. Different Indian cities, including Bangalore, are characterised by various land supply systems in addition to that, which is Master Planned<sup>4</sup>. Bangalore as we had listed, has Revenue Sites, Gramthana Sites, Squatter Settlements, Vattarams, Private co-op societies, and Old City layouts. Their development shares a range of common, but also have specific institutional procedures and regulation. Each have a different history, bring together different stakeholders and are shaped by a particular political process. The diagram below shows how we incorporate these in our framework.



To clearly understand the link between land and forms of governance, we focused on two aspects: *Institutions in Process*, and *Law in Process*. Under *Institution in Process*, our intention was to look at institutional relationships between and within different levels of government. Our focus is not an official description of a particular institution, its roles and responsibilities but rather, to look at how particular interventions or investments (selected for their poverty impact) come into being or are routed via the systems. Of particular significance are those which impact local economies. Similarly, our focus on *Law in Process* is not intended as a detailed description of the various sections of a particular act or legislation, but rather how these affect land development, regulation and institutional behaviour that impact poverty conditions and processes.



### 3. The structure of the report

After this introduction to conceptual arrangements, *Section 2* introduces two themes relating to governance and poverty in the context of Bangalore: On the economic structure of this city, and on particular aspects of its institutional structure, which focuses on a description of Bangalore's governance structures. For a description of specific poverty indicators in Bangalore, the reader is advised to consult with the Stage I report of this research project since these were discussed in some detail along with a broad description of major poverty programs. Due to the limitations of time and space, we have only drawn some key indicators from that report. Our focus on these themes is purposeful since they form

specific contextual material, which link to the more rooted analysis in subsequent sections. We return to these themes and concepts later in *Section 4*.

*Section 3 and 4* form the main argument of our investigation. Several sub sections constitute *Section 3*, referring to five main locations in Bangalore. Of these, we discuss first two in detail, and use excerpts from the rest to reinforce the issues raised previously. The two detailed discussions centre on Azad Nager, a ward in West Bangalore and the central city market area -- The KR Market. These are areas where a large number of poor groups concentrate and seek employment. Neighbourhoods here symbolise most others in the West, the North, and to an extent, the Eastern parts of Bangalore. Together, these neighbourhoods house a significant number of poor groups and have evolved largely outside the Master Planning system.

Of the latter three locations, two, Yashwantpur and South Bangalore were generally covered in the first stage report and we use insights from our recent fieldwork there to highlight our arguments. We also did fieldwork in Bangalore's periphery to focus attention to very contrasting and recent trends of development there: which are a hi-tech Steel Glass and Granite urban designed complex aimed at the city's IT industry, and more conventional forms of land development catering to lower income groups.

*Section 4* forms the other main part of this research. This section is in two parts. The first looks at a range of poverty focused interventions by both Government and NGOs and specifically the Bangalore Urban Poverty Program (BUPP); a new model of poverty alleviation aiming to converge both NGOs and Government efforts. Our intention here is not an evaluation but to highlight conceptual issues that emerge when we look at some of the grass-root consequences. These are discussed in the context of political and economic strategies and institutional aspects discussed earlier in *Section 3*. The second part of *Section 4*, focuses more closely at the conceptual issues at stake. *Section 5* is a conclusion that summarises pro and anti poor processes and a brief theoretical section.

#### **4. Contextual conclusions and main findings**

*Section 3 and 4* contain the meat of our arguments. In *Section 3*, we focus on Azad Nager -- a ward in West Bangalore. Neighbourhoods here symbolise most others in the West, the North, and to an extent, the Eastern parts of Bangalore. Together, these neighbourhoods house a significant number of poor groups and have evolved largely outside the Master Planning system. Azad Nager in particular suggests a paradox. At first glance, the neighbourhoods seem slum-like and un-planned. Their

economy seems to be informal, unorganised and marginalised. The residents here are obviously politicised, but seem fractured around communal issues and exploited under a system built around patronage symbolising a 'machinist' political system.

Our detailed investigations on the contrary, suggest quite an opposite picture on all these counts. First, Azad Nager's local economic structure is very complex and defined by distinctive local economies with strong historical roots. These are both local and also in relationship to how the core city areas themselves evolved. Further more, they are significant employment generators. Second, although these neighbourhoods are un-planned and are problematic for planners, we show that their economic-scapes are made possible by the evolution of diversified land settings. These are not only distinctive in terms of physical form or market characteristics, but shaped by the way different ethnic groups have settled in over time to evolve complex forms of tenure.

Third, we show that both land and economy are driven by a distinctive local politics. This is influenced by ethnic aspects and, at times, with communal overtones. However, they also form the basis of complex relationships and sophisticated political strategy that provide a voice and institutional access for poor groups. Of particular significance is the role of local leaders. Azad Nager has many local leaders who play a complex game-involving local and higher level political agents. In this flux however, these local leaders are themselves under pressure from highly politicised local groups. Similarly, while the local elite plays a distinctive role, they are also bound in a bundle of reciprocal relationships with various poor groups. These are centred on land issues, finance, and ethnic links, which all together shape their political alliances. In many senses, the case of Azad Nager forces us to reconsider what one might initially perceive as messy, un-organised, communalised, and un-planned. This case specifically shows that poor groups need to be looked at as active agents rather than passive beneficiaries. Even so, it also suggests that in order to survive and move up in Azad Nager's society, poor groups need to be politically agile to 'play the game'.

In looking at the situation of KR Market, our second major case study in Section 3, we continue to highlight the themes raise in the case of Azad Nager. Obviously, there are many similarities between Azad Nager and KR Market. First, we suggest that the central market areas like these can be thought off as important 'learning environments,' both politically and economically. As an economic setting, the KR Market area provides numerous and relatively easy entry points for poor groups -- openings as head loaders, manual workers and hawking activities. This is largely facilitated by the distinctive

ethnic groupings that organise local society here. This urban setting also introduces a critically important aspect for urban survival, which is the knowledge of the city's complex financial circuits. A key issue here relates to the importance of cash flows and the rotation of money, rather than a conventional income-savings view of economic survival. We had discussed this in detail in the first stage of the report, here we stress its extensiveness. This is important since one popular view of economic strategies of poor groups is rather static and narrow relating to the informal economy, a marginalised situation of survival. In vivid contrast, central city areas and neighbourhoods like Azad Nager are 'layered over' by an invisible complex web of finance routing a very rapid movement of capital between different kinds of economic circuits: Real estate, trade, and manufacturing. Interestingly, these link in a cyclical way, to investments to and from rural areas. These urban-rural-urban circuit involving substantial amounts of money and upgrade living and livelihood in both places.

Thus, an essential part of the urban experience for poor groups is to know how to play these circuits. Another important learning for the poor is political. This relates to knowing the mechanisms of politics at different levels, the connections between issues and political hierarchy, and the way the local administration is structured including the police and the corporation.

Our discussion on local politics in the city market area also reveals a serious constraint. Just as central city areas play an absorptive and 'learning the ropes' role for poor groups, (especially migrants) there are fewer opportunities here for up-ward mobility. Thus, after a basic grounding in the urban experience, poor groups need to move on to neighbourhoods like Azad Nager to improve their livelihoods. This move also allows them to use the development of land as key political and economic strategy. John Turner, in looking at the process of housing consolidation, suggested a similar theory of poor groups moving to urban peripheries after an initial period of squatting in more central city areas. Here, we argue that this mobility is driven by the restricted political claiming environment in the central city area, and also the need to play the land market in more sophisticated ways in order to link up with more remunerative and stable financial circuits. Housing *per se*, is less of an issue.

The constraint for poor groups in the city market areas relates to the nature of the financial and political connections of the elite. Unlike the elite in neighbourhoods like Azad Nager, these are less tied to the land and economic settings where poorer groups operate. This fracture is rooted in the way land was developed in the core city area. At the core are the economic and political consequences of a narrower range of land tenure as land is developed in a particular form as wholesale warehouses. This

allows elite groups in the central market area to shift capital between various alternative financial circuits with little pressure or political compulsions imposed by poorer groups. This argument to an extent mirrors those by Harvey in looking at the Paris Commune (*The Urbanisation of Capital*) and Steadman Jones (*Outcast London*). Our work highlights the need to focus more closely at the nature of links of the elite and other actors at the local level to land settings and local economies in this regard.

It is this political fracture that allowed KR Market to be the location of a large urban renewal project. The project, a multi-storied shopping complex and Bangalore's largest elevated roadway project were built demolishing a typical Old City structure of densely packed buildings for trading activities. We first highlight the range of serious economic consequences for poor groups. Due to the rural connections, mentioned earlier, these impacts extend beyond the urban arena. Following this, we focus more closely to unravel the complex political dynamics involved in urban renewal. This reveals that a main issue is of declining claims of local groups (including poor groups) within a larger planning and administration. The tenuous ties of the local elite to poorer groups do little to help subvert this process. On the contrary, the local elite become some of the beneficiaries.

This emerging theme of 'exclusion and inclusion' gets reinforced when we consider some of our other case study areas in Section 3: Mahadevpura, Yashwantpur and South Bangalore. Mahadevpura, like other peripheral areas, plays an important role of allowing poor groups to access land. One interesting hypothesis, which we explored in an outline form, relates to the way peripheral areas are also entry point for local political aspirants. The process of urbanisation and democratisation help to open up political space for local leader fighting local battles against a landed elite. This is complex, as in all politics, the opponents can later become their own alliance. The issue here is of power relationships and political mobility. The other significant issue emerging from relatively peripheral areas relates to access to land and economy and political claims at a popular level. We had discussed this in the case of Yashwantpur in the Phase I report. There, given its local governance system rooted in five elite families which evolved by their links to local real estate, finance, and local economy, local groups can access land and at the same time seek protection from the actions of Development Authority promoting the economic and political interests of higher levels of government. The third issue we briefly highlight relates to the way large mega-development projects locate here to centralise power relationships. Mahadevpura, on Bangalore's periphery, too has its own form of urban renewal. Here, the Singapore IT Park -- a massive glass and concrete structure symbolises the State Government's commitment to promoting the Software industry. There are related investments too -- another flyover (elevated

roadway) and proposals to extend the slick urban designed complex to add new office and specialised residential blocks. All this forms an important setting for richer groups to divert public subsidies on a relatively hidden area: Infrastructure. State powers also help them compete with local interests.

This last theme is reflected in our discussion on South Bangalore where Master Planning does much -- the exclusion of poorer groups. Here, Master Planning shapes the regulatory environment, the way land can be developed promotes homogeneity of tenure that dilutes claims of poor groups. All this in turn restricts the evolution of an economic and political setting. A form of urban setting that benefits higher income groups, it is hardly surprising that civic participation here is largely about getting the poor out.

In *Section 4* we look at both the official government approaches and also those by NGOs. Bangalore in many senses is a city of NGOs. Our conclusion here is largely pessimistic. We find that at a very fundamental level, there is very little attempt by both NGOs and official programs to even understand the economic, political, and institutional context within which poor groups operate. The interesting thing here is the very different role of the State and NGOs. In the earlier cases, smaller activist NGOs played a key role in land issues and promoting access to basic services. The State and the Local State in particular, was instrumental in this process. Here, we find quite the opposite.

This is hardly surprising since such programs rarely include a wider range of poor groups that could as a constituency push for a more rooted developmental agenda. On the contrary, the alliances of interests that emerge from this approach have a regressive impact on existing pro-poor processes. This happens on many counts. First is a political economy of housing projects and the need for visibility. Doing 'proper housing' is a key factor here attracting NGOs and government agencies alike. We are not directly concerned with the extensive corruption that such an approach opens the system to, but rather focus on what it does to the claims of poor groups to land and consequences on the local economy. We highlight in particular the problems of homogenised tenure in effectively excluding poor groups and in parallel, ensuring their compliance. Fracturing the local economies through rigid land use control, restricting incremental development, and forcing completion deadlines has very much the same effect. In fact, such interventions are not unlike Master Planning. They exclude and diffuse participation on real issues and bring in players that promote an agenda that dis-empowers poor groups. It seems rather ironic that the messy slum like environs of Azad Nager does so much for poor groups while the sanitised re-constituted houses all white washed do so much harm.



We argue that the main problem with such programs is that they fail to relate to how poor groups actually survive and move up in society. On the contrary, such conventional approaches set in motion a form of institutional politics that is exclusionary and is very regressive to poor groups on various fronts: Economic and also political. Reinforcing our overall theme, we argue that such programs -- in their constituent elements and their organisational structure fail primarily because they fail to ensure a democratic space at the local level. The techno-managerial zeal that binds the bureaucracy and the NGOs involved on the contrary dilute this vital space pushing the project from being in-effective to being regressive -- forming a classic case of 'bad government'.

The second part of *Section 4* builds on these insights to suggest a conceptualisation: *Politics by Stealth*. This refers to institutional processes that are more likely to be pro-poor. To illustrate this we draw on the BUPP and also other cases to highlight un-intended and un-recognised positive impacts. As real life goes, there are no clear success stories but useful insights to think about. We conclude with Section 5 under the general heading of 'Municipalised Governance'. We do two things; first we stipulate out what from the research findings have been the main pro-poor institutional, political, and economic processes in our cases. Based on this, we suggest an institutional framework drawing upon the insights from this research and also elements of a successful poverty programs - the UCD program of the 1950s-60s. This is not meant to be a solution but rather an operating framework. Ultimately, the basis for a "pro-poor" intervention is a political one. Our hypothesis is that a municipalised form of governance is more likely to engender this form of politics and provide it with an effective voice.

## **SECTION 2: Bangalore's Economy And Institutional Structure -- Themes Shaping Governance And Poverty**

We now introduce two themes relating to governance and poverty in the context of Bangalore drawing from a look at its economic structure and on its institutional structure. We will frequently return to the issues presented here in various sub-sections of Section 3, which is the main field investigation for this study.

The reader will note that the perspective to both issues stem from our particular conceptual framework and are different from the literature. For instance, a conventional way of looking at the economic structures relating to poor groups would place such investigations in the category and perspective of the informal sector. While there is some documentation on Bangalore's economy<sup>5</sup>, there is little or no documentation on this city's informal sector, we reject the concept of the informal sector like several other researchers due to its inherent ideological assumptions of linear development trajectories<sup>6</sup>. Instead we focus on economic structures drawing on the concepts of clustering economies. The emerging literature on urban local government structure in India is more useful and some recent works focus on an accurate institutional description. This is useful to consider. Although there is nothing on Bangalore's institutional structures, we use this as yet limited literature to set our own conceptual arrangements. To emphasise and illustrate our arguments on both themes, we draw upon previous work which we feel share contextual similarities. While we develop these themes, we do not attempt a complete description or survey. Both issues of Bangalore's urban economies and the complexities of urban management institutions are complex issues and generate a research program in itself<sup>7</sup>.

### **1. Bangalore's local economies<sup>8</sup>**

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<sup>5</sup> Pani, et al. (1985). 'Impact of Colonialism on the Economic Structure of Indian Cities: Bangalore 1800-1900' p: 1-35 in Essays on Bangalore Vol. 1 Karnataka State Council for Science and Technology. James Heitzman 'Corporate Strategy and Planning in the Science City: Bangalore as 'Silicon Valley' Economic and Political Weekly Pages See PE:2-3 in the issue of January 30th. 1999. Holmstrom M., 'Bangalore as an Industrial District: Flexible Specialization in a Labor Surplus economy' Pondy Papers in Social Sciences, No. 14 French Institute Pondicherry 1994

<sup>6</sup> See Peattie (1987). 'An Idea in Good Currency and How it Grew: The Informal Sector' p: 851-860 in World Development No. 15; Portes, A. (1983) 'The Informal Sector: Definition, Controversy, and Relation to National Development' p: 151-74 in Review No. 7; Portes, A. Castells, M. & Benton, L. (1989). The Informal Economy: Studies in Advanced and Less Developed Countries John Hopkins University Press, Baltimore.

<sup>7</sup> Our stage 1 report discussed issues of local economies and governance institutions in a more general way and listed available data on these.

<sup>8</sup> The diagrams and some of the discussions are drawn from an article in Environment and Urbanization ('Governance, economic settings and poverty in Bangalore' by Solomon Benjamin Vol.12 No.1 April 2000).

Bangalore like most other cities in India has much of its urban economy constituted by several types of economic areas. There seem three significant aspects of its local economic structure:

- a) First, as is expected, these economies are constituted by small and tiny enterprises. Many of these economies are distinctive in the range of products manufactured or traded. Enterprises cluster to share functional links.
- b) Most local economies fall in two broad locations: i) The two city centres (locating the wholesale and retail markets); ii) In Bangalore's mid and peripheral zones. The latter have as high as 70% of industries, almost all in smaller privately created industrial estates or in mixed-use residential areas<sup>9</sup>. The peripheral areas, with basic levels of infrastructure and services, also serve as bedroom communities with residents travelling to the main city for employment.
- c) The third significant aspect is that all these areas serving as the city's employment nodes, are almost always non-Master Planned areas. Among other things, this allows them to be mixed use.

*Exhibit 1* locates these economies on a map of Bangalore.

In contrast to the local economies, most of higher end corporate economies locate in and around MG Road (Bangalore's Corporate downtown) or within Master Planned neighbourhoods in the South and recently East Bangalore. Exhibit 1 shows these economies and a broad idea of the type of land setting where they locate.

Our intention of presenting the above description is two fold. First, most such economies are seen in an homogenous way as the informal sector of the city -- a mass of marginalised economic activity. We will describe one such economy in the next section, which will show the complex organisation of economic activity. Thus, the economic structure of the city needs to be understood at a much finer grain. At this point we feel it is important to emphasise this point by a slight detour to other Indian contexts where similar economies have been researched in greater detail. The following box provides additional details of other such urban-based clustering economies:

***BOX 1: 'Neighbourhood as Factory' generates Employment and Alleviate Poverty<sup>10</sup>***

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<sup>9</sup> Schenk & Dewit in Schenk H (edt.), Untitled manuscript for a book. Nd. (1996?).Page:117

<sup>10</sup> An extract from: 'PRODUCTIVE CITIES: Local Governance & Land Settings' A Presentation at the World Bank 10<sup>th</sup>. November 1999 by Dr. Solomon Benjamin. The write up was based on: a) Benjamin S.J., 'Neighborhood as Factory: The Influence of Land Development and Civic Politics on an Industrial Cluster in Delhi, India' pp. 331 to 333 Un-published PhD dissertation submitted to the Massachusetts Institute of Technology Department of Urban Studies. 1996; b) DELPHI: Study of the Silk Reeling Cluster at Ramanagaram, Karnataka' for the Swiss Development Co-operation (SDC) Bangalore. 1997-98; c) DELPHI: Study of the Silk Weaving Cluster at Kanchipuram, Tamil Nadu for the Swiss Development Co-operation (SDC) Bangalore. 2000.

*The metropolitan setting of Delhi is characterised by several clustering local economies. In East Delhi, Viswas Nager is one such residential neighbourhood, housing almost 2000 home and neighbourhood based factories. This neighbourhood is the country's foremost industrial cluster manufacturing cables and conductors -- amounting to between 25 and 40% of the total production of domestic light duty cables in India. Some factories here also manufacture heavy-duty cables that are supplied to power generating corporations and also the Indian Railways -- known for their stringent technical quality control. Several firms specialise on Co-axial cables whose demand increases with the spread of Cable TV, and Ribbon Cables used inside computers. The employment multiplier of Viswas Nager is typical of such clusters. With a voting population of 21,000 in 1991, it provided direct employment to about 25,000 in that year and in-direct employment to an estimated 30,000. Similar to the economic vitality of Viswas Nager in its metro setting, Ramannagaram, a small town outside Bangalore in South India forms another such employment node. This is one of the country's three centres for silk trade and reeling. With a population close to 100,000, the local industry employs about 30,000 by way of direct employment and another 70,000 in support activities. These enterprises specifically cluster in eight neighbourhoods. Similarly, another small town Kanchipuram in Tamil Nadu, is one of the India's important centres for high quality silk saris. With a population of 200,000, preliminary estimates reveal that it's weaving enterprises provide direct and in-direct employment to almost 80% of the towns population. These enterprises are specifically concentrated in four of the town's neighbourhoods. It is believed that the bulk of employment in Bangalore too is generated in clustering enterprises located in particular neighbourhoods rather than from publicly established factories or the corporate sector.*

*To capture the spirit and essence of the productive structure of cities, we coined the concept 'Neighbourhood as Factory'. This concept is not only about industrial production and employment. It refers to the way jobs are generated at different levels. For instance, even in a relatively more industrialised setting like Viswas Nager, there are many more non-industrial jobs than those of manufacturing. Thus, it is the backward and forward linkages that drive the neighbourhood economy. At the industrial level, jobs come about through intensive inter-enterprise linkages. While one firm draws copper wire into a specific gauge, another manufactures the PVC insulation. In addition, other enterprises manufacture the capital machinery used for the copper wire drawing machinery, PVC insulation, and individual components like industrial heaters, extruders etc. However, there still more in-direct linkages to consider. This intensive activity has attracted large numbers of small traders selling chemical stocks in smaller batches and poorer people plying the specially modified cycle rickshaws to transport semi-finished material from one factory to another. The construction industry is another important employment generator. This is linked to the process of larger plots get subdivided and additional floors constructed to supply housing for entrepreneurs, workers and also manufacturing space. Viswas Nagar's construction industry is even more effective since it is comprised of mostly small contractors. Delhi has at least 15 similar industrial clusters, and about 60 smaller ones. One can imagine the vast employment multiplier that emerges from such systems. Ramanagaram's silk reeling enterprises too inter-relate their production process to spur a wide variety of support activities. These include the manufacture of capital machinery, suppliers of chemicals and other stocks, and the re-processing of silk waste. All this has spurred an intensive-trading environment for both yarn and re-processed silk waste. The multiple opportunities also mean that workers become entrepreneurs during the low season as small traders of yarn and silk waste. Still others have either become entrepreneurs in their own right -- either in mainstream cocoon reeling or as specialised processors of silk waste. A similar multiplier effect is also seen in Kanchipuram, South India. Here, neighbourhoods housing weaving enterprises share close linkages with trading and support services -- specialised for different categories of enterprises. These include specialist carpenters, suppliers of yarn and dies, and most critical, financial services. Similar to Ramanagaram, Kanchipuram, and Delhi, Bangalore too has its productive neighbourhoods. The Mysore Road area in its western*

*periphery houses for instance, a diversity of enterprises: weaving, mechanical fabrication, rubber and plastic parts manufacturing -- all generating employment to diverse social and economic groups. Other neighbourhoods of Bangalore where small enterprises involved in the fabrication of components for computer hardware, are located. These small workshops put together components and supply them to the more up-market enterprises in South Bangalore.*

*Most other urban centres in India have such clusters that drive their urban economies to provide jobs for a large proportion of their population<sup>11</sup>. These clusters are also well connected to each other via trade linkages. Entrepreneur's source specialised components from clusters across the country. Marketing agents seek out new and emerging markets by establishing such contacts in new clusters. All this spurs new firms. For instance, clusters in Surat, Gujarat supply Viswas Nager with its' gauging dies, and 'Zari' a gold plated brocade to weavers in Kanchipuram. Weavers source specialised Jacquard units from Madurai in Tamil Nadu. All these together form a much larger livelihood system linking clusters within metro cities and between them and small urban centres.*

*These urban nodes of livelihood generate supportive links with surrounding villages. In the case of Ramanagaram, farmers inter-play their surpluses between rearing cocoons and also investing in the towns' enterprises. Similarly, while Kanchipuram has about 30,000 looms, its support services link up to additional 20,000 more located in villages in a 30-km belt surrounding this town. These rural links are multi-faceted:*

- *The movement of workers during the low of agriculture season into the labour market in the small town settings;*
- *Entrepreneurs (often experienced foremen) use their experience and contacts to team up with sales agents in starting off new enterprises in the urban periphery. These neighbourhoods also house land-less and share-croppers agricultural workers moving in from rural areas to become new silk reelers or weavers by renting plots and machinery during the peak season;*
- *The investment of capital both from the urban enterprises and trade, into agriculture, and vice versa.*

*What we are witnessing here is intensive economic activity, which attracts that various types of social / economic groups: Skilled entrepreneurs and workers, new migrants seeking jobs, workers seeking to upgrade their skills, commission agents and small traders, real estate agents, operators of trucks and cycle rickshaws, residents renting their front rooms into small shops while others renting out rooms for workers and entrepreneurs. Employment generation is addressed in large part, not out of a specialised program but out of economic processes that underlie urbanisation: That of evolving neighbourhood economies. Many of these enterprises seem in significant and too small to sustain economic activity. And many indeed are. However, the point to understand is that this 'mess' of economic vitality includes and represents start-ups enterprises attracted by cheap land, proximity to where the action is, social connections all regional to get a foot hold in the urban economy. Cities in the future are most likely to be driven by clustering local economies. These 'messy' economies are a vivid contrast to a poverty program where the 'identified poor' are assumed to fit into neat economic categories, and show up to wait passively to be up-lifted and placed in line for a formal sector job that in reality, never comes. Viewing such economic processes as an 'Informal Sector' waiting to be absorbed*

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<sup>11</sup> The UNIDO, as part of the growing interest in industrial clusters as an efficient and innovative way of manufacturing, has developed an extensive countrywide listing of 350 such clusters in India. It is significant that almost all are located in urban settings. For a discussion of these in the Indian context, see Cadene P., Holmstrom M., 'Decentralized Production in India: Industrial Districts, Flexible Specialization, and Employment' French Institute of Pondicherry and Sage Publications New Delhi 1998

*into a 'formal' economic system, misses an important point about the way cities create jobs, are constituted by unpredictable opportunity and also niches, and where groups act proactively to carve a space for themselves.*

**2. The city as an agglomeration of financial circuits:** While local economies have distinctly spatial aspects, they are linked to an invisible network of complex financial circuits operating at various levels. Other researchers too like Rutherford have discussed these in some detail and economists have recognised the sophisticated organisation of indigenous financing systems<sup>12</sup>. In our report of Stage I of this research we had outlined several different types of financial mechanisms as operating in Bangalore. In this report, we would like to emphasise their systematic and contextual aspects. In our first stage report in emphasising the importance of 'cash flows'<sup>13</sup>. While that argument attempted to capture the dynamic issues involved, in highlighting the systematic aspects, we present *Exhibit 2* and *Exhibit 3*, which illustrate this point in the context of Bangalore. *Exhibit 2* present these in a relationship to particular local economies in Bangalore to reinforce the point that particular types of economy concentrations spur more specialised financial mechanisms than others. For instance, it is common knowledge that in the public offices after lunch, much of the activity is of lower and middle level bureaucrats are centred on Chit funds. This involves visits by agents from Chit funds from the central city areas visiting these offices for 'collections' or to pay dividends. The fact that public officials get a secure and stable monthly income place them in a specific category in the world of Chit funds. Inside the bureaucracy, there are secondary effects of bureaucrats among themselves borrowing and lending to invest or 'pick-up' a chit. It is also common knowledge that when official procedures require sums of money in the office as 'petty cash', this is often tapped and circulated rather than remain idle! Similarly, other economic nodes circulate money using a similar range of mechanisms connected to different local circuits: real estate, manufacturing etc.

To further explain this point, *Exhibit 3* shows a detail of Valmiki Nager along Mysore Road in West Bangalore. Readers of the Stage one report will recollect this map showing the diverse range of economic activities (*Section 3* later in this text will focus more closely at the politics and economics of

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<sup>12</sup> See Rutherford, S. The Poor and Their Money Oxford University Press; Timberg, T. (1995). 'Hiatus and Incubator: Indigenous Trade and Traders 1837-1857' Ch. 8 in Siddiqui, A. (ed.), (1995). Colonial India 1750-1860 Oxford University Press, New Delhi.; and Benjamin 1996 Chapter 5:

<sup>13</sup> One of the major issues raised in our Stage I research paper was the importance of 'cash-flows' rather than income and expenditures in the case of poor groups. This is because a key survival mechanism is of poor among other groups, participating and initiating group saving and investment schemes of varying time periods. This movement of capital in turn, links them to several financial circuits and decision making including investing in land in peripheral areas, visiting their villages, and also to bridge over low earning periods. (See 'Cash Flows' to understand Poverty via a livelihood approach' Section B4 pg.78 in Benjamin & Bhuwaneshari 1999.

this neighbourhood). *Exhibit 3* overlays economic activities with the various types of local financial circuits. This is to suggest that what operate at a city level, gets further contextualised at the neighbourhood level. The significant issue is that while these operate at the neighbourhood level, they are linked via ethnic and functional links to the city and also National level. Timburg (1995) and Benjamin (1996) discuss the operations of the specialised trading communities and how their financial systems are organised at the regional and national level.

While the scope of this research did not allow us to explore this issue in detail, detailed research by one of the authors (Benjamin 1996) on financial circuits at the neighbourhood level in Delhi was very revealing. Like Valmiki Nager and many others in West Bangalore, this neighbourhood was highly industrialised neighbourhood and also a 'slum'. The interesting aspect was a complex interface of various highly contextualised and specialised financial mechanisms that drove the local economy. *Exhibit 4* shows these in a diagrammatic form showing an interface between construction, manufacturing, real estate, and various types of services, and also the domestic economy. In that work an outline estimate of the volume of capital circulating showed that this was indeed substantial; and helping to turn what was a slum neighbourhood to include 2000 home based enterprises and into India's largest industrial cluster manufacturing cables and conductors. That particular research investigated the role of land markets in detail to show that the urbanisation and settlement of land played a key role in the evolution of the local economy; influencing its productivity, its economic organisation, and also its politics relating to land regularisation. It is hardly surprising that given the volume and intensity of movement of capital, that neighbourhood groups initiated and sustained over three years a process of negotiation with public authorities to pay substantial amounts for upgraded infrastructure. A very detailed economic mapping of local clustering economies was undertaken in a series of research projects for the Swiss Development Co-operation by one of the authors and a research company DELPHI (DELPHI 1999, 2000). *Exhibit 5* shows the 'mass flows' of one such economy in the town of Ramanagaram introduced earlier. This shows not only the sophisticated economic structure internal to this town of 60,000 population but also the complex networks that link it to other parts of India. Here again, the amount of money being circulated and the complexity of the mechanisms involved are vast. In parallel, the extensive spread of local employment where poorer groups often 'switch' between being workers and small entrepreneurs.

Our main point here is to emphasise the need to recognise the sophisticated structure of local economies as they aggregate to constitute urban economies in the Indian case. The key point here is

that unlike conceptions of the informal sector these often can be argued to form the essence of economic development in Indian urban areas<sup>14</sup>. Second, their evolution is closely linked to land markets. However, we shall discuss in Section 3 in details, there are important non-spatial aspects relating to ethnic characteristics and complex political alliances.

### **3. The city as an agglomeration of Institutional circuits:**

We now briefly to the political aspects of local economies. Again, our intention here is to sketch out some basic features. Section 3 will contextualise these in the Bangalore context. To introduce this theme, we present a box below.

#### ***Box 2: Local Economy representation and Local Governance***<sup>15</sup>

*A main reason why municipal actions help local economy is due to democratic representation -- even if this is fractured. This relates to two aspects.*

*First is the form of local economy that creates important strategic alliances. This comes from enterprises being inter-linked in their production process, workers often graduate to entrepreneurs, landlords renting their premises to workers and entrepreneurs, and all of them participating in local group financing saving and investment schemes. All these groups together form a substantial political clout to influence and shape the actions of municipal government and promote upgrading.*

*Second, key persons from the local economy are usually closely connected to the Municipal Council, or are themselves part of the council heading important Municipal Committees. In Delhi, with its large voting base in slums, which also house its numerous clusters, most councillors are factory owners themselves or have close relatives who are so. This is particularly true of East and West Delhi. Industrial associations often have presidents of the Youth wings of various parties as their office bearers (Benjamin 1996). While the local government remained superseded by the Central Government for almost ten years, it is significant that after elections, most local politicians drew their political base from these home and neighbourhood based industrial clusters. Later, these same people have assumed important position at the level of the State Government -- drawing on their growing political clout in parallel to these clusters providing the bulk of Delhi's employment.*

*In Ramanagaram mentioned earlier, the President and Vice President of the Municipal body since the early fifties have been people from the industry. The silk industry of this town is constituted by Muslims dominating silk reeling and Hindus dominating silk twisting. Thus, the President and Vice President are always of different religious groups to help maintain communal peace that directly affects the livelihoods of most of the town's population. This political representation has also allowed for easy regularisation of its peripheral neighbourhoods that house both workers and new enterprises (DELPHI 1998). In Kancheepuram too, the representation of the local economy dominates local governance though more directly via the State Party cadre circuits in this politically centralised state. Also, it is the political process that has pressurised planning institutions to declare all of the town as a 'mixed land use' area -- critically important when in some neighbourhoods as much as each second house has two looms (DELPHI 2000). Thus, upgrading actions by municipal governments forms a specific and highly politicised action that impacts livelihoods of vast numbers of poor groups.*

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<sup>14</sup> We would exclude those towns that are centered around a single industrial activity like a large steel town. However, the bulk of towns and all metro cities have such diversified economies that our argument is more generally applicable.

<sup>15</sup> Extract from: 'Urban Land policy as an employment policy' A presentation by Dr. Solomon Benjamin at the workshop on Urban Management by the World Bank Institute and ESAF at Brasilia, Brazil July 3<sup>rd</sup> 2000



The above excerpt illustrates the multifaceted aspects of local representation and characteristics of local economies:

- First, interconnections between enterprises help build up political alliances apart from serving techno-functional and financial roles.
- Second, access to land, infrastructure, and civic amenities are key issues that affect economic productivity for a variety of enterprise operated by different types of local groups including poor ones like hawkers, small retail stores, small scale fabricating shops. This in turn has a larger impact on other poor groups who find employment in these. In the central city areas, the main issue are access to drinking water and locations with secure tenure due to the competition by richer groups. In the peripheral areas, the issue is of attracting public investments in basic infrastructure and civic amenities in competition with investments for Master Planned areas.
- Since almost all of the local economies are in Non-Master Planned areas, much of local politics is shaped over land and infrastructure issues. Exclusion from the formal planning system politicises this process.

To further investigate the way local economies shapes the politics of poverty, we take a closer look at institutional mechanisms at work. Here again, an illustrative box is useful to ground the issues.

***Box 3: Competing political and institutional structures: Roadblocks in representation***

*Given the link between upgrading of basic infrastructure and civic amenities and the productivity of the local economy at a systemic level, it is also not surprising that often, that local groups organise to pay for the specialised services. This is provided they are sure that these investments are not diverted to a richer part of their cities. The municipal structure accommodates local demands to shape interventions according to the specific needs of the cluster. For instance, groups in a more mechanised industry (like some in Delhi) negotiate for increased electricity loads, while a less mechanised one like the weaving and silk reeling clusters demand for water, single point electricity connections and basic roads. This fairly specific demand making also opens up opportunities for negotiation between local groups and local bodies. This assumes that the local body has sufficient operational autonomy to take on this role.*

*This link between local economies and local governance becomes clearer when we look at roadblocks in the process of negotiations between local groups and public authorities in upgrading of infrastructure and regulation. Here, the key issue is not one of money but the fracture of representation at a time when the municipal body remained superseded by higher levels of government. We take the specific case of Viswas Nager introduced earlier.*

*By the early nineties, Viswas Nager's increasing productivity had attracted a wide range of mainstream enterprises and also supportive activities. Real estate values here too were at their peak reflecting in large part the intensity and efficiency of production. Entrepreneurs, many of them residents demanded infrastructure, roads and especially electricity. They soon found that they*

*exceeded the legal limits for drawing electricity, despite their willingness to pay. Faced with increase competition and work orders, most were forced to resort to various underhand means to keep the factories going. Speed money was paid not only individually, but in groups. While some of this was for routine inspection, much was for large scale off site infrastructure. These informal upgrading interventions soon attracted the attention of senior level government officials and resulted in raids in the neighbourhood. After an initial period of confrontation, the various associations formed a federation to represent and negotiate their case. Their point was simple enough -- as even the Electricity Undertaking's (the DESU) internal reports showed: In return for upgraded infrastructure and regularisation, the federation would ensure that entrepreneurs would pay for the actual power consumed and be agreeable for sophisticated digital meters to be installed<sup>16</sup>. For the DESU, this would increase their billings several times over. The Federation, representing nine associations of small entrepreneurs, negotiated this issue for over three years with the DESU.*

*The roadblock was neither technical nor financial, but that this deal would make way for a substantive policy change that would openly undermine the Master Planning process promoted by the Central Government and also the interests of higher income groups as a consequence. It would not only raise revenues from Viswas Nager, but as a precedence, would open up a flood gate of revenue mobilisation in several such neighbourhoods in Delhi. In return for upgraded infrastructure, legalisation, it would leave substantive surpluses with the DESU that was often in serious deficits. The problem here was that the DESU -- under the control of the Municipal Corporation of Delhi, would tread on the institutional territory of the Delhi Development Authority under the direct control of the Central Government. Significantly, the DESU's high powered Vasant Committee report on power theft in Delhi took a pragmatic view. They clearly recognised that much of the Transmission and Distribution losses of the DESU (amounting to more than 55%) was really power theft forced on by unrealistic planning policy. The Committee suggested that the DESU regularise such areas and raise revenues. The committee specifically called into question the monopoly role of the Delhi Development Authority in land policy and the regressive consequences for utility institutions like the DESU. The Viswas Nager negotiations soon stalled. The fragile status of the local government in Delhi, the larger political un-stability at the central government level, and frequent transfers of bureaucrats served to de-stabilise the process. What was lost was not merely a single case, but an opportunity for Municipal Bodies to directly tap into the wealth created by urbanisation -- manifested in local economies like Viswas Nager. The key lesson here is an institutional one highlighting the issue of local representation. When decision making is raised to a level where poor groups and their alliances have little access, it is likely to be shaped by other competing groups in society to capture the benefits of urbanisation.*

The above box suggests that the multiplicity of institutions can have a serious impact on the efficacy of representation. However, these reflect serious political conflict rather than being administrative / managerial aspects (as is often portrayed in the literature on public administration).

To understand this issue more clearly, we take two hypothetical situations but based on actual implementation processes. The first relates to the construction of a 'Mini-water' supply scheme or even minor roads and drains -- a common feature of neighbourhood upgrading. These interventions benefit

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<sup>16</sup> Much of this information was procured by the local associations not from the established planning process but via political sources and the lower bureaucracy -- what we introduce later as the 'Porous Bureaucracy'. This access allowed the associations (formed into a federation) to structure their demands in line with what was administratively and politically feasible. The reader may want to recollect this case at that time.

not only residential structures but also directly or in-directly the small enterprises that locate within these areas<sup>17</sup>. *Exhibit 6* provides an illustration of the relationships between various agents that interface during the formative process. Here, the Municipal Corporation forms the main institutional arena with councillors and the lower level bureaucracy playing a key role. This is essentially due to the representation system (even if it functions un-evenly), and extensive ethnic and social connections that exist between the lower level bureaucracy of most government bodies and local economic interests<sup>18</sup>. The important point here is that even if higher level political agents play a significant role in the political strategies of poor groups, their actions are in the context of local body interventions. This situation would influence the implementation process in favour of local terms (although decision making has happened at higher political circuits) with councillors usually forming key mediating agents<sup>19</sup>.

An important point here is the political control over funding<sup>20</sup>. Funding for such development works may come out of poverty heads (if these exist under specific schemes like the construction of toilets), but more often come from general development works. These in Bangalore's case are authorised by the council via its particular committees (the Works Committee) and executed under the direction of the Commissioner. Since these are incremental and relatively small amounts in individual terms but spread

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<sup>17</sup> Philip Amis, Shashidhar, and Lalitha in focusing on the consequences for urban poverty conventional engineering interventions (via a slum upgrading approach) have concluded that these basic interventions go a long way in alleviating poverty as compared to more complex (and perhaps sophisticated) programmatic structures. See: Amis et al., \_\_\_\_\_

<sup>18</sup> This situation is common to many other Indian Cities. Later in this text, we shall discuss this in its conceptual form as the 'porous bureaucracy' drawing from Benjamin 1996.

<sup>19</sup> DeWit based on his research in Bangalore, reinforces the importance of councilors:

'..An active councilor means more to a slum than a lot of broad based policy objectives. A slum which does not meet the criteria to be part of an improvement program, but has an active councilor, can be better provided in terms of infrastructure than a slum in an adjacent constituency that does meet the criteria, but has no one to endorse them... The authority, be it a political one like a councilor, or a non-political one like an NGO, is regarded as a source of goods.. a source is to be treated with due respect, do not bite the hand that feeds you...Only the political source is accountable, needs something from the dwellers as well as and can be voted out of office, where as the NGO remains aloft, untouchable. .There were several perceptions on councilors and other politicians. Many held councilor and the MLA held in high esteem.. Other saw him as a corrupt person. Some saw NGOs too as being 'living' off the slum. De Wit Op.cit: 93, 95, 110. Feeling towards NGOs seem similar to what a *Sanga* (association) member in Visakapatnam in Andhra Pradesh South India told this author: ' *The only difference between an NGO and a politician is that you don't have to fold your hands to the NGO..*'

<sup>20</sup> The reader will be advised to read a limited but very useful literature on urban local body structure in this context. Here, some useful work (although none in the Bangalore context) is by Oldenburg, P. (1976). Big City Government in India: Councilor, Administrator, and Citizen in Delhi Association for Asian Studies, University of Arizona Press, Tucson. Oldenburg as the title suggests is a detailed and grassroots account of local politics and administration in Delhi. Although dated it remains one of the best accounts of politics at the local level. Another work is by Marina Pinto: 'Metropolitan City Governance in India' Sage Publications New Delhi 2000. Pinto provides an excellent overview of various local body structures especially see Chapter 3 on Institutional designs. While Bangalore is not described, it follows in many ways the Madras Local body model, although with a Commissioner with more extensive powers. The mayor in Bangalore has a term of only one year -- illustrating the position of the council!

over many locations in the city they fall into a developmental routine which is controlled by the middle and lower level bureaucracy. Since these are also basic requirements, normally the Council (or its Works Committee) would sanction such works in several wards. This does require some political lobbying by the councillor -- via fellow party councillors, with the Commissioner, and with his / her friends. However, while party lines play a role, much of this broad decision making happens across party lines. This is partly out of the cross party links of the councillors<sup>21</sup>. However, it is also due to pressure across party borders by the resident groupings on stumbling blocks. As we shall discuss in detail in Section 3, resident groups almost always work across parties. As one secretary of a resident association told one of the authors in Delhi:

*‘..We always get work done by the party in power but in parallel, keep them on their toes by getting questions asked in the assembly via the opposition..’<sup>22</sup>*

In the process of following up on funding and implementation process, the councillor in whose ward these works are sanctioned, maintains what's called in local jargon, *follow up* and close interaction with the officials involved in clearing the contractors' bills etc<sup>23</sup>. Significantly, in many of these situations, politics here tends to be centred on terms of individual political bases (influenced by local alliances mentioned above) rather than strict party affiliations. The point being made is that even though the commissioner representing the State party and as a head of the bureaucracy is officially executing the works, in real terms the power base is much more decentralised in the system.

An important issue to realise is the way councillors can ensure that work is done. At the lower levels of the bureaucracy, this is done by a carrot and stick approach. The carrots are some petty bribery to get the system to move, but more important a favourable posting to a ‘hot’ seat (more lucrative due to the possibilities of bribes) via a recommendation to the political seniors. The stick is a transfer -- which can happen very rapidly if a lower level bureaucrat consistently offends several councillors. Similarly, if the Commissioner is particularly ‘un-co-operative’ to the councillors, as a group across party lines via higher level politicians, they can bring work to a halt and even result in the transfer of the Commissioner. Bangalore is known for its councillors having being successful at this. In the case of Karnataka, this is a complex process and interlined with the way party level authority is also distributed and party funds distributed via the systems -- all representing a dialectical situation.

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<sup>21</sup> Often there are common real estate or local economy links that reinforce cross party alliances. It is striking at the first time, how one often comes across opposition party councilors having strong personal alliances with their ‘opponents’.

<sup>22</sup> V.K. Sinha, Secretary Federation of all Patpargunj Extension housing colonies (FOAPEEC), 1985

Our main point here is that this situation in ‘the process of things’ helps to ensure that political accountability relates to the local impact of development. Our intention is not to suggest that this arena is free of ‘influences’. Our point is that the influences are more local. For instance, *Exhibit 6* also suggests that much of the pressures generated at the ward level funding direct action at the municipal arena are related to relationships are influenced by a variety of factors: Election funds, mediation, ethnic linkages, property market surpluses. This can on one hand imply petty corruption. However, it can also mean that ward level interests can also influence the contractor to undertake the work in a specific way in the context of site realities as was noted by one of the authors in the case of the UCD project in Visakapatnam. While the two authors of this report have come across several instances in their professional lives of funds being shifted under political pressure to basic infrastructure (with significant poverty impacts) the field work connected with this project in an outlying area of Bangalore revealed one case where an entire settlement built on agricultural land (without being converted) and just outside municipal boundaries, had been allocated municipal funds for the development of infrastructure and civic amenities. This is hardly surprising and happens via the operation of the lower bureaucracy.

To emphasise our point, we take develop a similar relationship diagram as it would apply to the case of a Mega-Infrastructure or Urban Renewal project -- rapidly becoming a feature of a corporate landscape in all the metro cities in India including Bangalore. *Exhibit 7* illustrates this in a schematic way. Here, the scale of the project both in technical and administrative complexity imply that decision making is more centralised. The setting for corporate centred economies are in contrast of the mini-water supply scheme, linked to party centred political structures at the State Government (and at times, evens the National level). These relationships in turn, link to centralised forms of governance via institutional processes centred on parastatal agencies. It is hardly surprising that almost all settings for corporate economies are either products or closely linked to the Master Planning process promoted by para-statal institutions like Development Authorities. Here, the critically important issue is that Development Authorities have practically no local level representation. Their governing committee is constituted out of mostly administrative officers under the direct control and supervision of the State and National government party structures<sup>24</sup>. The political representatives who direct official policy are thus,

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<sup>23</sup> See the work of Oldenburg (op.cit) for a detailed and excellent account of the daily life of councilors and their relationships to bureaucrats and also various community groups..

<sup>24</sup> M.N. Buch, one time head of the Delhi Development Authority has written about the lack of real civic inputs in the activities of Development Authorities. See Buch M.N., ‘Information needs for urban planning and development: The users perspective’. Nagarlok 17, Vol. 4., pp.46-52. 1985. In some of the smaller cities in Karnataka, out of a governing committee

appointees of the State level party in power<sup>25</sup>. Significantly, they also need not necessarily represent the constituency under the jurisdiction of the Development Authority. For instance, in the case of the Bangalore Development Authority until recently, the Chairman, not only did not have his electoral constituency in Bangalore, but also had lost in the elections in the small town where he stood from<sup>26</sup>. Our research also suggests that even when local politicians play a part in these processes, their actions are supervised by higher level political entities under party lines, and at times, even under higher level bureaucratic control<sup>27</sup>. In short, para-statal agencies playing a formative role in the shaping of corporate settings, have little or no local representation.

Reality is always complex and dialectical. For instance in dealing with large Mega Projects, the result can be much the same when such projects are promoted via the Municipal Corporation, despite its elected face. In fact, in Section 3 we discuss this issue in detail. This paradoxical situation perhaps emerges driven by the impact of 'Party alliances' that become accentuated by large lumpy funding that characterise such projects. The corruption from the civil construction process, real estate, and allocation to productive location is relatively homogenised setting off a very different political circuit involving the political party directly. Such projects are perhaps the single most important way that parties can collect funds but also create alliances by the appropriate routing of funds. By definition, these are at a more central level and away from local influence. The lumpy nature of corruption implies rigid compliance. Unlike the previous case, the Commissioner and the senior level of the bureaucracy are very much at control, and so are the State level politicians. Thus, even in a council committee system, it is the Party interests that take precedence and flavour their proceedings. There are other interest groups that come into play. Architects, highly qualified engineers, large construction companies, large business conglomerates. It is obvious that councillors and the lower level bureaucrats have little say in the matter, except in the most subservient way. Thus, our portrayal here is of a complex institutional dialectic where different forms of politics shape the forms of alliances!

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of 23, only there were only two members representing the municipal corporation. There were none from the rural bodies adjoining the city whose lands were notified for acquisitions. For an extended description of the lack of local inputs in the Master Planning process see: Benjamin S., and Bengani N., 'The civic politics of industrial districts' (pp: 376-392) in 'Decentralized Production in India: Industrial Districts, Flexible Specialization, and Employment' eds by Mark Holmstrom and Philippe Cadene, French Institute and Sage New Delhi, 1998.

<sup>25</sup> We have discussed this issue in the context of Karnataka and Bangalore in our Stage I report: 65-72. Pinto (2000:191-220) also discusses this issue in detail in the context of Delhi, Mumbai, Madras and Calcutta.

<sup>26</sup> It is common knowledge in bureaucratic and political circles that Para-statals like Development Authorities are often used by parties in power to house key political functionaries who might have lost elections but need to be maintained within the system.

<sup>27</sup> See Section B5.1.1, Fig 13, 14, Section B5.2 Pgs. 96 --108 in Benjamin & Bhunawashri 1999

**4. Contrasting governance circuits:** Our main point here is to contrast the form of decision making that happens in very different forms of public interventions that relate to urban infrastructure. These reflect varied forms of power relationship and ‘participation’ to shape outcomes. At one level, our intention in the above description was to convey that the municipal arena is complex and also dialectical. Even in this contradictory terrain, the type of projects, scale of development and routing of funds shift the way local groups can access these decision making circuits. Our point here is that while a water supply scheme or the upgrading of a road mentioned above would be promoted on the basis of a local felt need and demand, the justification of Mega- projects is made on grounds of ‘better urban management’ or ‘planned development’ -- rather than explicitly as a felt need and demand by corporate or elite groups. To explain this supposedly ‘social -objective’ our main argument is that the system of decision making while disallowing local groups (including poorer ones) is opened up to, for example, the elite groups. This provides access to shape the utilisation of vast public funds and most important expropriation of land under eminent domain. Thus, the centralised level of decision making implies that only with access to the state level political circuits can avail of these -- narrowing the range of ‘beneficiaries’.

To capture this issue, we present two *Exhibits 8, and 9. Exhibit 8* shows the complex and over bearing institutional structure that municipal organisations operate within Karnataka. The reader will note that much of the policy-making arena happens at the State level and via this larger network of para-statals. A closer inspection of the heads of these bodies will reveal that most are either senior bureaucrats or technocrats appointed by the highest political levels. Pinto in an excellent analysis has shown the lack of local representation in these para-statals agencies drawing from cases from different parts of India<sup>28</sup>. She has also argued along with other scholars of public infrastructure that they make are very inefficient forms of urban management. We agree with these conclusions but from a governance perspective reinforce their analysis that such institutional structures have a serious and regressive impact on urban poverty. This is basically on grounds of access -- which in turn paves the way for a regressive multiplier effect on local economies, access to basic services, and an authoritarian form of urban management. *Exhibit 9* attempts to illustrate this point by contrasting forms of development and the interest groups that push these onwards. These come together in the public arena to access subsidised resources, shape the nature of regulations, and to use State power on grounds of public purpose. Each of the circuits is constituted by institutions, institutional processes and outputs. Our

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<sup>28</sup> Pinto Op.cit. Pg.:191-220

portrayal of such conflicts in a 'black and white' perspective is merely to convey the point that urban governance in the context of divided cities can be seen to be constituted by social interests competing along different planes of public policy. Each of these circuits if looked at closely have their own form of lobbying, forms of corruption, but also logic of planning, and accountability to their interests. Our interests are on the poor in the system and where they stand in this complex arena.

### **5. The *Porous Bureaucracy* at work**

With this above discussion, we now focus on a concept that may be useful to understand the issue of access by poor groups more accurately. We had mentioned that the political processes at the level of municipal government allow poor groups to access and influence decision making via local politicians and /or lower level bureaucrats. Thus, the same institutions that provide access to local groups (especially poorer ones) can on the surface look like a disordered bureaucracy and seems 'non-transparent'. To capture situation, this we use the term of the *Porous Bureaucracy*. Introduced and explored by one of the authors in his earlier work in the context of land regularisation in Delhi<sup>29</sup>, we find this relevant in the Bangalore context too. This situation is made possible by a combination of factors. Ethnic and social relationships between poor groups and those working at the lower level of the bureaucracy. This is reinforced by what is commonly called 'vote banks politics' requiring a complex political play of councillors and also higher level politicians.

An important point here is the conditions within which a *Porous Bureaucracy* emerges. One of main conditions is when the official planning and administration system at senior levels of decision making is not openly accessible to local and poorer groups and promotes actions that directly threatens the livelihood of larger majority of local groups including poorer ones. Thus, political strategy to operate and survive official procedures and planning policy requires influencing the system -- opening up space for a *Porous Bureaucracy* to emerge<sup>30</sup>. There are other conditions too -- based on our investigations in Bangalore. Thus, we see seven important contextual aspects in the Bangalore case (and in other locations like Delhi too):

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<sup>29</sup> See Benjamin 1996: ; This concept was initially explored by one of the author under the term 'Permeable Bureaucracy' in the context of the operation of Special Interest Groups (Nelson 1979) in the context of industrial districts and settlement politics in Solomon Benjamin 'The Politics of Small Enterprises' Ph.D. Examinations in the Department of Urban Studies and Planning Massachusetts Institute of Technology September 1989. Later this issue was explored by detailed grassroots level research in the Delhi context in both residential and also industrial contexts.

<sup>30</sup> We shall discuss much later in the concluding part of this research, this happens not only by the more visible politics by public protest, but by a sophisticated knowledge of how to play the institutional levers of the system: What we introduce in this research as the 'Politics by Stealth'.



- a) Wide income and class fractures in society combined with an official urban planning process that has little poverty focus in real terms -- including being blatantly pro-rich: *This means that a few are 'planned for' at the cost of the large majority;*
- b) Planning and policy institutions that have no local elected representatives: *This means few possibilities for local groups to influence policy more directly;*
- c) The bulk of land supply for housing and commercial / industrial uses from small and medium scale private developers / associations. The supply from non-Master Planned / public institutional sources a bare minimum: *This situation results in 'widening' of the pressure group and create alliances between various constituents in local society to socially and politically transform some part of the bureaucracy;*
- d) An urban economy largely constituted by clustering small enterprises but which includes also a smaller proportion of corporate groups. The bulk of employment comes from the latter: *This again similar to the above, contributes to 'broadening' the issue. Moreover, it places livelihoods of the majority at stake reinforcing the need for such structures to emerge. The 'clustering' of enterprises implies that like land issues, alliances are built up across various constituents in local society -- including between better off and the poor, between relatively larger industrial firms and their smaller sub-contractors;*
- e) Local governments (and also those of Para-statals) with a large lower level bureaucracy sharing ethnic and economic links via the local economy and land settlement situations to other local groups: *This situation helps to 'bond' relationships making for easier entry into the official systems by local groups. Almost all lower level bureaucratic staff reside in the settlement systems that their departments aim to regulate against and at time seek to demolish. Many of these have close relatives working or owning or invest their earnings either directly or via financial circuits in home and neighbourhood based micro-enterprises that the planning process aims to regulate against.*
- f) Institutional overlapping for issues of land regularisation and regulations to include local bodies: *The multiplicity of institutions to include those with some access by local elected representatives can be used to either influence the official policy directly or alternatively evolve dual set of policies or administrative procedures that contradict or dampen the regressive impact of the official policy. In most cases, since a change of official policy would be too visible and attract the wrath of richer groups (and their senior bureaucratic and political alliances) the introduction of administrative procedures to allow a way out is more common*
- g) A State party political structure which has a fractionalised cadre base and reinforced by a situation where party leadership that itself is hardly democratic: *This situation leaves little scope for translation of local level political issues into an agenda at a higher level. Also, political aspirants would find few channels of rising in the political situation by pushing for more responsive policy at an official level. Also, the party system thus fractionalised is more prone to a corporate form of institutionalised corruption -- which against reduces possibilities for political upward mobility through the system. All these factors together creates a political climate at the local level to subvert or bypass higher level systems.*

One could argue that the first six of the points listed above are common to many Indian cities (although some may have some of these factors more pronounced than others). The last point relating to the

characteristics of the State party seem particular to some Indian states. For example, party structures in Tamil Nadu and Kerala, West Bengal are less fractionalised at their lower levels as compared to those in Karnataka, Andhra Pradesh, and most North Indian States. If so, then situations like the *Porous Bureaucracy* (and strategies like the *Politics by Stealth* as we discuss later) are likely to be more widely applicable<sup>31</sup>.

It will be evident from the above discussion that the *Porous Bureaucracy* forms an important arena where the skill of a local politician or a secretary of an association is tested to establish status in society. To reinforce this point we present several exhibits drawing from Delhi (where this concept was first developed, and from our own cases in Bangalore).

*Exhibit 10 and 11* provide some illustrations from Bangalore<sup>32</sup> while *Exhibits 12 and 13* are from Delhi where more elaborate research was done on this concept. *Exhibit 10* shows an excerpt follows from a writ petition in the Karnataka High Court arguing against the demolition by the Bangalore Development Authority (BDA) of ‘revenue settlements’. It gives details of a letter written to the Commissioner, which would help the petitioner to put pressure on the administration on the issue (see point 3 in the petition). This happens in the context of pressures from richer groups living in ‘planned’ neighbourhoods. *Exhibit 11* is of a letter written by one such association protesting against the re-location of a slum which according to them will ‘pollute their neighbourhood. While we will discuss the specific political aspects of the influence of richer ‘civic groups’ later in Section 3, at this stage we intend to focus on a particular aspect of the writ petition. The reader will note that the petitioners have quoted a previous official order relating to a ‘re-conveyance’ clause and land status details, which weaken the case of the BDA. It is this access to particular file numbers which provide the internal details of the authority that allow local groups to stall processes, apply and get a stay on demolition of land acquisition and in effect to subvert the regressive impact of Master Planning and what can only be concluded as authoritarian behaviour of Development Authorities<sup>33</sup>. It must be remembered that there are few real alternatives, no public process, possibilities of participation where development plans proposed are subject to forms of public

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<sup>31</sup> It would be very interesting to explore these issues in the states mentioned above with homogenized party political structures -- taking into account a range of factors including those relating to land supply and characteristics of the local economy.

<sup>32</sup> We have chosen an exhibit, which is in English rather than Kannada the local language so the reader can directly see the presentation of the issue. There are other documents in Kannada, which are useful to refer to. To fill this gap, we have presented some from Delhi to explain the same.

<sup>33</sup> This is not the emotional judgement of the authors but emerge from outspoken senior administrators and Supreme Court judges (See. MN Buch on the Delhi Development Authority , and Justice Krishna Iyer on the Mumbai demolition and resettlement of the settlement adjoining the Borivili National Park)

hearing and review. The reader will appreciate that in such cases it is critically important to have the exact file details, decision taken, and level of officers involved to strengthen arguments<sup>34</sup>. In recent times there is at the level of state legislature, a proposal pending for an amendment to the Official Secrets Act, which is intended to allow citizens procure such information and copies of procedures as per right<sup>35</sup>.

There are other debates that are equally important. One relates to the issue of 're-conveyance', a procedure that allows local groups to de-notify land if their lands under acquisition are stuck in limbo since the Development Authority has not been able to complete the acquisition procedures as required by law (mainly on grounds of payment of compensation). There has been a lot of pressure to repeal this act. This comes from various sources spurred by various interests. From the bureaucratic interests within the Development Authority since land returned would undermine the financial base of the authority and also its credibility; from high level political interests and also the elite who see this clause as a way of making permanent slums in the city and affecting its image, from real estate interest aligned with the re-development of acquired lands into large projects for whom the lack of planned land will reduce their role in the complex and heterogeneous real estate markets in Bangalore. All these interests, powerful as they are, are stacked against an even more extensive lobby promoting re-conveyance forms of procedures that safe guard their settlements. All this is a complicated battle involving the Chief Minister and his dreams of making Bangalore into a Singapore! The following box illustrates some news items:

#### **BOX 4: Image of the city: Re-conveyance versus demolition**

DECCAN HERALD Tuesday, August 8, 2000

*HC upholds validity of Govt ordinance: BDA can dispossess illegal occupants*

*BANGALORE, Aug 7 (DHNS)*

Upholding the validity of the Ordinance repealing a provision in the Bangalore Development Authority (BDA) Act which provided for reconveyance of BDA acquired lands to original owners, the Karnataka High Court today said that the BDA can take immediate steps as per law to dispossess unauthorised occupants of its lands. A division bench comprising Mr Justice R V Raveendran and Mr Justice V G Sabhahit passed the order while dismissing 94 writ petitions challenging the Ordinance promulgated on June 22 and seeking a direction to the BDA not to demolish structures on lands acquired by the BDA put up by the petitioners. The bench noted that persons who claim to be in settled possession of such lands, can approach civil courts for appropriate reliefs. In the instant batch of writ petitions, the lands comprised in Survey Number 73 of Banasawadi-Channasandra village, KR Pura Hobli, had been acquired by the BDA on April 30, 1987, it noted. Any Deed executed by any person claiming to be the original owner or his/her successor after the land vested with the BDA is not worth the paper on which it is written, the bench observed. It further noted thus it can safely be held that any person who claims to be in possession, is not in possession by virtue of title vested in him, but is in possession only as a trespassers. Therefore possession with regard to such lands is illegal.

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<sup>34</sup> Luckily, the Courts (as yet) do not ask the petitioner to explain how they have procured official documents presented. The onus to prove that these file details are accurate and authentic is on the respondent.

<sup>35</sup> It is of significance what one of the famous consumer activists in Karnataka for over the last 20 years mentioned to a class of young aspiring journalists. He said that it was not necessary to wait for such legislation. His approach all these years was to use the a government office order from the central government in Delhi mentioning the use of the confidential status of public documents for only three very narrow and specific categories of documents. If that did not work, there were enough liaison officers outside any public office who could get out any document for Rs. 200/.

VALIDITY UPHELD: Dwelling upon the question of the validity of the Ordinance repealing Section 38 C(2) of the Act, the bench pointed out that the propriety, expediency and need to promulgate an ordinance is within the satisfaction of the Governor, and it would not be subject to judicial scrutiny. Hence, Section 38 C(2) does not exist in the Statute, the bench added.

INFORM REGISTERING AUTHORITIES: While dismissing the petitions, the bench suggested to the Government to take steps to make entries with the registration offices concerned regarding issue of preliminary and final notifications for acquiring lands for BDA and other authorities. This would help to show the acquisition in the encumbrance certificates to be issued by registration authorities with regard to such lands, it noted.

Such a measure would go a long way to ensure that public are not taken for a ride by unscrupulous middlemen and ex-owners acquired lands, the bench pointed out. The Government had on June 22 this year, promulgated the ordinance repealing Section 38 C (2). The provision had been inserted by the previous Government, paving way for reconveyance of BDA acquired lands to original owners or their successors, when the land is found unsuitable for forming layouts. However, the amended provision had not been notified by the Government.

The petitioners had stated that they were the bonafide purchasers of lands, which were allegedly acquired by the BDA. The Bangalore Mahanagara Palike has given khatas in respect of lands purchased by them, they have obtained water and electricity connections for buildings put up on such lands and they continued to be the legal occupants of lands purchased by them, the petitioners said. However, the BDA without following due procedure of law, had been demolishing structures put up on such lands, and buildings put up by some of the petitioners had been demolished, they stated. As per Section 38 C(2) of the Act, the BDA should have reconveyed the lands to original owners, they argued.

DECCAN HERALD Sunday, July 23, 2000

*Government won't spare encroachers, asserts Krishna*  
BANGALORE, July 22 (DHNS)

Chief Minister S M Krishna today asserted that the Government will not spare illegal encroachments and will reclaim every bit of property that rightfully belongs to Bangalore citizens as a whole. Unauthorised buildings are a curse on Bangalore and the City is no exception to land mafia, Mr Krishna said while speaking at the first review meeting of the Bangalore Agenda Task Force (BATF), the nodal agency co-ordinating with the various civic and public utilities to strengthen Bangalore city infrastructure, here today.

Taking strong objection to unauthorised buildings throughout the City, Mr Krishna cited the example of Manipal Hospital<sup>36</sup> on Airport Road and said he was shocked when he learnt that a hospital had come up on unauthorised land, thereby becoming an unauthorised building. Since a hospital is meant to serve the needy, it has become difficult to take a harsh decision against the unauthorised construction, he said.

The chief minister urged all BMP corporators, MLAs and officials to work selflessly for the cause of the City and its residents instead of creating vested interests in everything they do. He gave the example of Hyderabad which is a blooming city and said, if Hyderabad can become a benchmark of growth internationally, what is wrong with us? Why is it that we are not gearing ourselves to meet challenges? Taking objection to road cutting without co-ordination and footpath encroachments, Mr Krishna warned violators and said the Government will not allow itself to be pushed around. This government is not brow-beaten. We are going to reclaim all properties that belong to Bangalore City, he said. He urged civic representatives from Mysore, Belgaum, Gulbarga and Mangalore to take a leaf out of these Bangalore initiatives and assured them of Government help in their projects.

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<sup>36</sup> Author's note: Manipal Hospital is a huge super specialty hospital catering to largely the elite of Bangalore. There are some 'social subsidized beds' but it is common knowledge that these are mostly included to avail of tax breaks and other benefits.

*Exhibit 12 and 13* (From Benjamin 1996) form the context to help to illustrate the wider situation where the *Porous Bureaucracy* comes into operation. *Exhibit 12* is a copy of a letter written by an experienced 75-year-old secretary of a housing association in Viswas Nager, a Delhi slum -- but also what has emerged as India's largest industrial cluster manufacturing cables and conductors. As the reader can make out from the text, this is about the provision of streetlights addressed to the Municipal Commissioner. Note the exact reference to the official file number, the estimate details including the budget head, the particular engineer in charge, the reference to the support of the local councillor. All this was critically important information for a their association to effectively press for regularisation and extension of services. The secretary told one of the authors, whom he mistakenly assumed was requiring help on this front how to go about such a task. He mentioned that it was not necessary to know good English but one must write to the point, as officials are busy. Most important, one must be direct but also know which officer to target for what job, what are his / her realistic powers, where to apply pressure and when, and how to use both the political support to get the system to work. Later, a couple of days after the meeting, the author had a chance (by coincidence) while meeting a un-responsive bureaucrat for internal office material, too witness first hand how this secretary ensured that the same bureaucrat was co-operative. It is hardly surprising that he remained a secretary of this association for a long time. Significantly, this association under his direction used a combination of strategies -- the *Porous Bureaucracy* and also hunger strikes. They were highly successful in dealing with not only the bureaucracy but also against the local elite -- very powerful industrialists in the neighbourhood and politically well connected. The association (again via a combination of political pressure and the *Porous Bureaucracy*) ensured that that the efforts of the elite in land speculation (resulting in mounting garbage on empty plots and also creating a crime problem) and also pollution from particular types of enterprises were stopped.

*Exhibit 13* is a copy of an official note preceding a work order 'procured' by the same residential association via the *Porous Bureaucracy*. This relates to upgrading electrical infrastructure in their part of the neighbourhood. The note mentions the budget amount, details of the proposed work, its official status, the engineers involved, technical details, and decisions taken. In this case, association office bearers with access to copies of such office orders via the *Porous Bureaucracy* can successfully 'follow up' within the system to put pressure both on the bureaucrats and contractors. They can also use this information to make sure that the politicians too are following up with the bureaucracy on their behalf and not 'stonewalling' them.

The note is significant in another way. It also mentions a land-sharing proposal to install a transformer. This would have been impossible if dealt with via the official planning circuit. This is because such a change would have been considered as a 'land use' change in what the Master Plan designates as a 'green belt.' Also in the Delhi case (which is different in Bangalore), there is no explicit process in the Master Planning in Delhi to make such changes<sup>37</sup>. Even so, the interesting aspect is that the 'community space' is designated in the plan of the MCD (rather than the Development Authority) and was under the control of the local community via the neighbourhood association. The agreement arrived at between the association and the electricity authority involves installing electrical transformers in part of this space. This is an intervention with the single most important impact in this neighbourhood with over 2000 firms locating in every other house, and thus of specific interest to the local community in terms of their livelihood and also the positive impact on the property market<sup>38</sup>.

We present these exhibits from the Delhi case to illustrate the wider applicability of the concept both in terms of city contexts as well on the range of issues. It is quite possible that such a situation exists in other cities in South Asia where a similar form of Municipal structure exists and possibly in other countries too<sup>39</sup>. Later in this report, we will place the concept of the *Porous Bureaucracy* in conjunction with another we suggest: *Politics by Stealth*.

In this situation, it is hardly surprising that in Bangalore as in other cities like Delhi, richer groups almost always view lower level bureaucratic levels and local politicians with suspicion and as being responsible to subvert 'planned development' by what is popularly called 'politicisation'. In recent times this same elite, under the rubric of promoting 'good governance' and 'transparency,' aim to counter this situation including supporting steps to dilute the efficacy of municipal organisation as a political entity. Significantly, little or none of these efforts are directed at greater transparency within

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<sup>37</sup> Interestingly, the designation of Green Belt was despite Viswas Nager being conceived and planned in 1935 and settlement there started in the late forties and fifties. The detailed master plan for this area being drafted in 1989 after all of the neighborhood was well settled, and was on the way to acquiring an industrial character (Later by 1991, this was one of India's largest industrial clusters!). Like most such settlements, the Master Planning process effectively de-legitimized this area.

<sup>38</sup> Benjamin (1991) documented the impact of changing land use on the neighborhood property market to show substantial increases in values. These reflected not only the increased productivity of the land but also the increased political clout to attract infrastructure and services, and possibility of neighborhood jobs, rental opportunities etc. See: Benjamin (1991). Jobs Land & Urban Development: The Economic Success of Small Manufacturers in East Delhi, India Lincoln Institute of Land Policy, Cambridge, Massachusetts. and Benjamin S.J., (1996) and *Exhibit 4* above.

the State or Central government promoted development<sup>40</sup>. It is also hardly surprising that higher level politicians and bureaucrats view local bureaucrats and politicians as being a serious threat and impediments to development -- when the latter are able to bend the system using the *Porous Bureaucracy*. For the former (well integrated into the party political structure), local politicians represents a serious threat of 'crossing over'<sup>41</sup>.

Our point here is the importance to accurately focus attention at the actual operations of bureaucracy and decision making. We do not claim that the *Porous Bureaucracy* is always 'benevolent', always used to the advantage of the poor, or address the poorest. For instance, such a bureaucratic structure is open to manipulation by unscrupulous groups who use this system for criminal intent. On the other hand, a blind effort to induce 'transparency' without addressing the seven fundamental issues listed out as conditions within which the *Porous Bureaucracy* is conceptualised will be akin to providing an offensive system of promoting genocide with hi-tech computers to make the system more efficient. All of these issue however are researchable questions -- but which we feel are valuable ones.

There are other questions of wider applicability derived from the seven conditions mentioned earlier and newer ones. An interesting case is of looking at comparative literature which bring together issues of land, local economies, and local politics. In the American context, the work of Friedland relevant<sup>42</sup>. In fact we find his work with Palmer particularly relevant in the context of what we have described in this section<sup>43</sup>. In that work they describe in useful detailed conceptions and also strategies used by groups in influencing public policy. Another very significant work is of Molotch on the Growth Machine thesis<sup>44</sup>. There are other works too useful to consider in the context of themes presented

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<sup>39</sup> Pakistan would be a particularly useful case to see. See Van Der Linden, J. & Schoorl, J.W. (1983). Between Basti Dwellers and Bureaucrats, Pergamon Press, New York. Marcus Mello mentioned during the final workshop held in Birmingham in January 2001 that a similar situation did exist in some Brazilian cities.

<sup>40</sup> The exception is a few NGOs who press the State and Central Government to make public secret Memorandum of Understandings (MOUs) which they sign on behalf of local authorities with the large corporate industrial or business sector. Somehow, these efforts are usually seen to be as 'radical' actions except in the recent ENRON case in Maharashtra where that State's electricity board once highly profitable, is now bankrupt.

<sup>41</sup> To ensure party allegiance, it is quite common to see party high commands using a combination of disciplinary action and also sops in terms of a share of party funds, and incentives to move up the political ladder promoted by the party. The emergence of coalition governments is of significance in this context and of loose party allegiance among local politicians. Whether this is a consequence of the above mentioned political conditions or itself forms a seventh contextual element is an issue of research.

<sup>42</sup> See Friedland Roger, 'The Local Economy of Political Power: Participation, Organization, and Dominance' Pacific Sociological Review, Vol. 24, No.2 April 1981 139-174..

<sup>43</sup> Friedland Roger and Palmer Donald 'Park Place and Main street: Business and the Urban Power Structure' in Ann Rev. Social 1984 # 10 393-416;

<sup>44</sup> Molotch Harvey, 'The City as a growth Machine: Towards a political economy of place' Am. Journal of Sociology 82 (2): 309-31

here<sup>45</sup>. While we might not agree with all the conclusion of these authors or their particular conceptual framework in its entirety, we feel these works are important to consider. It seems that this important literature is missed out perhaps due to the pre-conceived notions of local economies in cities of poor countries being 'informal', lack of a connection to land issues, a view of urban politics in a simplistic conception of 'patron-client' relationships when the reality is obviously more complicated, and missing out a study of elite groups in cities of poor countries when it is so clear that they wield significant influence. We highlight these works merely to make a point, as this report does not allow the scope to fully explore the theoretical consequences of the concepts we present here.

In this section, we have highlighted two themes -- on Bangalore's local economies and on institutional structure. Rather than a description of these, our emphasis is on a more accurate conceptual framework. A detailed description will be left for Section 3 where several cases will draw on these two themes. Our attempt here has also been to try and develop inter-relationships between the two. We feel this conceptual framework is important given that much of urban development in Metro and State capitals like Bangalore is funded from external sources rather than raised and controlled at the municipal level. As we shall discuss later, this in turn relates to political strings centred on party lines. In this complex and highly contested institutional arena, the main advantage with local groups (including all if not most poor ones) and their alliances is two fold:

- a) The democratic process. Even if this is un-even and fractured, this allows for local agents to command some voice in the larger political situation. Section 3A, 4A will specifically show the complex underpinnings of local politics and the way it inter-faces with higher level agents.
- b) Local Economies. Just as most urban jobs are likely to be created from such economic processes, it is most likely that a large proportion of financial flows that go through the political / administrative system also has roots in such economies. For sure at the local level, these economies underpin political clout. Various parts of Section 3 will highlight the local economic climate and their complex constituents.

As cities like Bangalore get globalised or localised, some of these circuits are empowered and others dis-empowered. These in turn will affect the way the city transforms: Into a 'gated-structure' where Master Planned neighbourhood are secure ghettos<sup>46</sup>, or one with increasing 'un-planned' economies inter-mixing complex local alliances that we discuss in later sections.

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<sup>45</sup> Marshall M., Feldman A.: Spatial Structures of Regulation and Urban Regimes Sage; Michael Lipsky Street Bureaucrats; Grindle and Thomas in their book on 'Policy choices.' 'Street Politics' in Iran...

<sup>46</sup> Our discussion here relates to those of James Holston in 'Spaces of Insurgent Citizenship' pp 155-173 in Cities and Citizenship by James Holston (ed.) Duke University Press 1999



## **SECTION 3A: Valmiki Nager, in the ward of Azadnagar**

Azad Nager (ANGR) located in West Bangalore is a significant employment node with its local economies centred on small enterprises. Most of these are home based. The various neighbourhoods here have a high concentration of poor groups. We look at one in particular, Valmiki Nager. Like other wards in North and West Bangalore, Azad Nager has a reputation as being highly politicised. This one in particular play an instrumental role in shaping Bangalore's local and even to an extent, State level politics. We look at the situation of poverty from three categories: Local Economy, Local Land settings, and Local Politics.

### **1. LOCAL ECONOMY**

#### **1.1 Local economic structure**

Azad Nager, like other wards of west Bangalore has evolved several vibrant local economies. This includes an extensive re-cycling industry, a weaving industry, an automobile cluster, home based activities and a variety of general services. In the estimates of local leaders and ward councillor, more than three fourths of households in the ward are employed on the different types local economies here. Of these nearly 50% are employed in recycling and autorickshaw industries. About a third of the enterprises here are home based. In addition, the ward's proximity to the dense trading clusters in KR Market in the central city and to the various production clusters dispersed along western wards fuelled the growth of small manufacturing economies in it. Some of these economies developed as home-based enterprises (HBEs). Thus, neighbourhoods in the Azad Nager ward are significant employment generators. This intensive economic activity has attracted groups to settle here which in turn, has spurred the development of general trade and services - bakery, tea shops, small food stalls, provision stores etc. The local economies of its various neighbourhoods and the urbanisation thus reinforce each other. They can be conceptualised as an 'upward spiral' of increasingly diversifying and clustering firms along several lines of work.

### **Box 5: The Clustering Economies of Azadnagar**

*The local economy of Azadnagar comprises of a variety of manufacturing and service economies. The ward has an extensive waste-recycling cluster which providing employment to a large number of skilled and unskilled labourers. Here, a 'chain' of actors are involved in recycling - ragpickers, itinerant traders, retail waste traders, reprocessors, wholesalers and retailers. A sizeable proportion of the population is involved in ragpicking and itinerant trading. Although there are no exact statistics of this, it is likely that 30% of all the jobs are linked to this business and another 15-20% of in-direct linkages. There are 4-5 major waste purchasing shops, linked to with different levels of the trading business.*

*The ease of entry into ragpicking and proximity of ward to KR market with industrial and packaging waste, make it possible for a section of poor groups to make a living. Poor households with contacts seek to diversify into other forms of waste retail trade. The itinerant traders for example, depend on credit from the waste buyers. One finds small waste shops purchasing from ragpickers and households, medium level operators linked to several small buyers in ANGR and in the neighbouring wards, as well as large traders linked to national and city level trading circuits. The plastic reprocessing units in Azadnagar form part of this complicated production chain that is spatially distributed in different clusters in the western wards of Bangalore. Another interesting factor is that the wholesalers and waste*

traders were once coolies that have moved up the ladder. For example, Ghouseie, a wholesaler, with a turnover of more than Rs. 50,000/ per month, started as a coolie. The wholesale shop was started in the early 80s. His community members who were in waste business apparently supported the capital. The latter also provided him with business contacts. Today Ghouseie has around 15 retailers under him.

Reprocessing of waste plastics involves initial melting of waste plastics in lumps, cutting the lumps into granules, sorting & cleaning of granules and moulding of granules into different products. The units in Azadnagar specialise in the intermediary activities such as cutting plastic lumps into granules, cleaning and sorting. Melting of waste plastics into lumps is done in the wards bordering Azadnagar, while the units involved in final processing are clustered in another ward located in close proximity. Of the estimated 1000 plastic reprocessing units in Bangalore, 100 are estimated to be located in Azadnagar and in its neighbouring ward. The reprocessing factories in ANGR, wherein the plastic lumps are re-melted employ both skilled and unskilled labour. The cleaning and sorting of granules developed as home based activities, employing a large number of women and youth. The wholesalers and retailers dealing in recycled plastic articles prefer to locate themselves in Azadnagar because of its proximity to market. Some of these involved in recycled trade are also located in Valmikinagar. The retailers, most of whom are itinerant, thrive on diverse customer markets in KR market. The itinerant retailers in the same ward, the small and big shops in the KR market provide for multiple trading outlets for wholesalers in ANGR.

Another large economic cluster in Azadnagar relates to automobile economy. Azadnagar has also developed as one of the centres for the city's vibrant autorickshaw industry. Besides, its proximity to the City Market has also attracted a smaller cluster of matador van drivers. Matadors are like the famous Volks-Wagon van, narrow and sausage like that can squeeze in between 10-15 passengers or cargo. Just as in the case of recycling sector, a variety of poor and middle income groups have come to be dependent on the automobile economies. There are the skilled and unskilled coolies finding employment in the numerous garages within the ward. The ward has a large number of autorickshaw drivers, an upwardly mobile group among the poor. These too are clustered in particular locations. 80% of the families residing in along two blocks in Azadnagar are employed as auto drivers and matador drivers. A majority of autodrivers depends on rented vehicles for their business. This motivated some autorickshaw drivers to become 'auto-lords'. Imitias is one such autolords in the ward (and also an important local leader) moved up from being a driver. He and his brother today own 4 vehicles. According to them, there are 20 big autolords in the ward. Besides there are a number of households renting a single autorickshaw and often combine autorickshaw -renting with other occupations. The large concentration of autodrivers has in turn attracted the Auto-financiers, and agents. This group locates in adjoining ward - KR Market and maintains close contacts with the different people connected to autorickshaw economy. There are agents frequenting the ward that specialise in organising private/government loans and also linking the prospective buyers to the sellers. In addition, the most visible part of this industry is the numerous spare parts, repair and fabrication shops, and those supplying equipment and supplies. Walking uphill two streets in particular is like walking on a conveyor belt of a auto factory with various types of repairs and fabricating works in process: These include metal body building, carpenters putting together the wooden frames for the seats, fabric tailors stitching the seat covers, painters and numerous mechanics-- each specialised in a particular line.

Azad Nager's local economies had an interesting beginning. The early generation of industries was located in and around KR market. The centre city's power loom industry expanded into Azadnagar. With the saturation of land in the centre city wards, the weaving process comprising of twisting, weaving, dyeing and bleaching moved to these western wards, including one cluster of weaving and bleaching units to Azadnagar. These economies attract other new economies into the ward, which then diversified. This diversification still continues. The Jari (gold or silver coated thread used to decorate the border of saris) industry for example started in the ward four years ago with the arrival of the UP

*Muslims from Varanasi. This, like many of the industries here is largely home based. The weavers here specialise in making 'Benaresi saris' sought after for its intricate brocade work.*

*These economies in turn have spurred an extensive rental property market within the ward. For instance, there are extensive rental properties for fabrication work, commercial retail and various types of residential units around the auto and recycling clusters. All this is critically important since the diversifying economies have attracted poor groups from different parts of the city. Many autorickshaw drivers prefer to stay in the ward as it gives them easy access to autolords and financiers, and also for repairs. This is even more pronounced in the re-cycling industry where direct face to face contact is crucial for various actors in the chain of processing and trades. The retailers' access to merchandise at favourable terms is influenced by his relationship with the wholesaler. For instance, we return to the case of Ghousie, described above. The 15 retailers' dependant on Ghousie, take slippers free of credit and pay the amount only after selling the entire lot. Sometimes, Ghousie has to wait for at least a month for getting his payment. As a result he prefers to give materials only to those traders residing in the ward and are given assurance by other traders known to him. This form of personalised links has spurred the demand for rental housing. Similarly, there are other forms of rental markets also developed to support the auto industry. Here, a 'land rental' system has emerged for auto parking. These have taken the form of parking sheds along the main roads. There are 4-5 such sheds in Valmikinagar that charge a rent of around -Rs.5 per day for parking a vehicle. Similarly, there are open plots that are now converted into Auto servicing garages, fabrication units (making chaises) and assembly units.*

*The emergence of cheap rentals has in turn attracted other occupational groups as well. These include lower level public and private sector employees. The concentration of different categories of poor groups - poorest, poor and upwardly mobile groups provided a fillip to a variety of home based enterprises. HBEs such as Beedi rolling, agarbathi, making small bags, shoes, decorative items, garments and jari work thrive in the various streets and also employ a large number of women. In Azadnagar, around 2000 of the 10,000 households are engaged in beedi and agarbatti industries. The large labour pool in the ward attracted the small entrepreneurs in agarbatti and beedi industries. They come here supplying raw materials and to collect finished products. Most of these labourers are paid on a piece rate basis and some of the poorest groups (especially women headed families) are dependent solely on the agarbatti and beedi industry. Poor Muslim women, constrained to work outside their homes depend on beedi rolling for an income. Other women with low and unstable incomes supplement their incomes in the variety of HBEs. For example, the majority of women in the families of autorickshaw drivers are involved in agarbatti or beedi rolling. These women get linked to chit circuits to expand their surplus. Azad Nagar's dense population opens up enormous opportunities in such linkage based services. Women in many families have started food shops operating from their kitchen. Renting is another popular way of enhancing a household's income.*

*The proximity of these neighbourhoods to KR market with its' dense trading cluster and diverse clientele has spurred an extensive range of sub-contracting and trading activities. A good example is the case of Azgar, whose waste trading linked him to several local and national markets. The waste material collected locally such as low-grade plastic waste is sold in the KR market ward in Bangalore. In addition, he purchases waste from factories and hotels. One of his clients includes Hotel Ashoka, a five star hotel in the city, from where he collects discarded electronic goods and outdated TV models. Those in a good working condition are sold in the city's second hand market. His trade in paper and good quality plastics is via his direct links with factories outside the State. Electronic components are sold again in different markets, and computer chips are melted to extract gold. At another level one group of poor families cut woollen pieces as inputs for soft toy makers located in the market. Other women make garments - children's wear at home and sell them to low and lower middle income groups concentrated in the market. Yet another group of poor families makes toys out of waste materials and sell it in KR market. The more skilled make 'Kanpur' slippers out of waste rubber soles. At first glance these economies might seem fragile but important to the people employed in them. The main thing is the*

*intensity as that is what provides avenues to move up to a more stable vocation. Our interviews revealed almost all as having a significant trajectory -- linked to specialisation or changing lines frequently as social contacts established and new demands in the rapidly diversifying economy emerged (Exhibit 14).*

*A critically important aspect of economic consolidation is access to finance. Azad Nager, like other economic nodes, is no exception with a variety of financial circuits that have emerged around the different economic clusters. There are several mechanisms used as we had earlier described: Chit funds of various cycles and amounts, private finance, and trade based credit. Also, the rapidly emerging real estate market also spurs economic opportunities via 'bhogey' -- a form of lease arrangements that form a key basis for financing strategies. The traders started chit circuits for mobilising cheap finance. For example, Imitiaz the waste trader and auto lord mentioned earlier, runs different chits with his ragpickers and with other residents in the ward. These have varying cycles and amounts to respond to the diverse income groups and also the diverse requirements influenced by various types of economic processes. The intense economic productivity has also attracted professional financiers like the Marwaris with national level links. For instance, one type of specialised financing mechanisms has developed for autofinancing. This in turn spurred the entry of different finance groups into the ward, who lend money on particular terms. The specialisation is influenced by the intensity of personal contacts that exist in such professional circuits. One important source has been remittances from abroad that are invested in the local economies. This is particularly true for the Muslim community. Often working as unskilled or skilled workers in the construction industry in those countries, their accumulated surpluses are invested in both trading and manufacturing based local economies in Bangalore. Other forms of credit mechanisms have also emerged. For example, retail traders working under Ghousie previously worked as coolies. After establishing a personalised relationship, Ghousie helped them with smaller jobs; as their wholesaler he gave them material on credit and collected payment after the merchandise was sold. This group was then able to move up from being coolies to small traders and develop a wider linkage. For Ghousie too, such links are important: his supplier base widens and also, as we shall see later, as a political leader, this helps to establish a vote block. Thus, many such poorer groups have been able to get linked to a variety of financial mechanisms to mobilise finance for personal as well as investments in business. It is hardly surprising that Azad Nager is also known politically for its wide range of local leaders whom local and higher level politicians treat with respect. These local leaders, with their strong grassroots links strengthened by economic ones are rarely taken for granted. They are known, as we will discuss later, for their political agility and keeping the politicians on their toes.*

*This issue points to a key point of mobility in such economic systems. Economic change and transitions are important characteristics of such neighbourhoods. A classic example is the case of Cobbler community settled in one of the layout in Azadnagar, described in the section on land settlement. The demand for leather products from government departments influenced the settlement of cobbler community into the ward. When the demand for leather products declined, the cobblers were able to move into renting for an income. Some of them moved into construction work and government jobs. The present generation, with not many opportunities in government and with fluctuating income in construction seeks to move into autorickshaw driving and trading. They depend on their neighbourhood contacts for learning to drive and subsequently to obtain a license and hire an auto from an auto lord. The present auto-lords, were once the coolie tenants in the plots owned by cobbler community. The latter helped them in getting license via political routes. We met with a driver who combine it with construction work. The driver, around 25 years old, apparently got his license 2 years ago, with the support of Imitiaz, a local leader. He learnt his auto driving from one of his neighbours, on days that he could not get construction work. The driver hires his auto from Imitiaz. Further as the different actors connected to a particular economy are clustered in the same place, it is easier for an individual*

*to use his/her new skills to earn an income*<sup>47</sup>. As one of the political worker commented 'Increasingly Valmikinagar is coming to be known as a middle income area'. The bulk of the area's lower middle and lower income population was once poor and has moved up the system. A majority of entrepreneurs in the different local economies, were once market coolies, or garage coolies that moved up the system. Ghousie, now an important wholesaler in recycled plastic slippers, was a coolie in a plastic wholesale shop. Over time, the coolies seek to start their own enterprise or diversify into other economies. An example is the group of retail traders that own provision shops in the area. Most of them started as coolies, in provision shops and bakeries. Similarly, the garage coolies, either move up to start their own workshops, or move out to autorickshaw and matador driving. Imitiaz another prominent member in ANGR. He is a well-known autolord and a landlord in the area. He started as a garage apprentice, moved on to become an autorickshaw driver. At present, he doesn't prefer to drive autos himself and rents it out to other drivers. However, on the days he cannot find a driver, he goes out himself. Another example is the case of unskilled ragpickers and moving up to become itinerant traders.

The above box illustrates the density and diversity of local economies in Azadnagar. Both these factors are critical for poor groups with different skills to find employment. This box highlights several themes. The first is the issue of mobility. The variety of skilled and unskilled jobs are generated in these clusters, open up opportunities for different income groups poorest, poor, lower middle and middle income with varying skills. For example, the poorest with no skills depend on ragpicking, coolie employment in the different shops and garages, home based activities such as agarbatti and beedi rolling. The established poor find a niche in the different trading and service sector. A section of poor households, with contacts with waste traders, enter into itinerant trading. The auto-rickshaw and matador drivers considered being upwardly mobile groups among the poor. They are one of the dominant occupational group in the ward. Our point here is that the vibrant local economy has to be seen in an evolutionary and systematic perspective rather than statically categorising some as being 'marginal' and other 'economically viable'. The main thing is urban density. To a planner, administrator or upper income resident it may seem chaotic but the dense population concentration also allows poor groups to acquire skills and diversify into better paying economies.

The second and critically important point is location. Locations like Valmikinagar, and KR market described in the next section, allow poor households to get easily linked to different economic activities. We will discuss in some detail the complicated economic linkages in KR Market in the next section. Here, it will suffice to say that those clusters too fuel Azadnagar's economy. Thus, local economies although 'local' evolve out of significantly important urban characteristics. The third point is that history is important. In this case, the growth of textile loom cluster in Azad Nagar is a case in point. However, this is in spurring a general economic setting rather than exact sub-contracting

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<sup>47</sup> A contrast, is the fragile situation of trainees supported by the different income generation programs of the State's Poverty alleviation programs discussed in the next chapter. Such PAPs often tend to miss out the vital market linkages and

linkages due to the complexity of economic influences. The fourth point is related to the land settings that evolve in response to these economies. Here, rentals are certainly important, and in particular the range of tenure form. Almost all of these would not fit into stereotype categories but instead are rooted in the form of the local economy and its social / ethnic constituents. Land has several types of cyclical impacts. In finance as surpluses are woven into other local economic circuits and also opening up space for new groups to settle in. These bring with them new skills and capital and perhaps most important access to markets. All together this spurs further investment, product diversification, and concomitant densification. The diverse options allows poor groups to resort to variety of strategies such as multiple employment, diversifying into new skills, access to cheap loan capital etc.

The fifth is of increasingly sophisticated financial circuits. These are not only local but also regional, and at times even national and international with the Gulf connection, all reflecting the growing importance of these local economies. These have further fused economic and marketing links leading to further economic diversification. An example is that of marvaris traders who source finance from different parts of India in different seasons. The sixth point relates to the importance of ‘cross-learning’ of skills that urban density, of both people and economic enterprise. This is critically important to deal with times of economic change. The intensive social milieu forms a critically important resource.

The above six points constitute what we term as an *‘upward spiral of economies’* and seem critically important for poor groups to stabilise their condition and move up. The above description has shown the complicated but vibrant and dynamic structures of economies as in Valmiki Nager. It is important to also note that while extensive, these are in no way ‘homogenised’ but structured both along functional economic relationships described above and also along ethnic lines. However, it is also important to note as we discuss below, that ethnic links are strongly flavoured by local neighbourhood contact rather than a very strict definition of the term. This is important to understand the structure of local level political alliances that characterise areas like Azad Nager.

## **1.2 Ethnicity -Economy Linkages**

At one level, ethnicity is critically important. Access to these economies is shaped by complex ethnicity that influence mobility and openings into economic niches. For example, entry into relatively better paying economies such as autorickshaw driving and trading is dependent on one's own contacts - especially relatives. Ethnic connections are also crucial for accessing different financing circuits. On

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as a result, the trainees often find it difficult to use their new skills in enhancing their income.

the other hand, spatial proximity is also an important factor that grounds ethnicity. Autolords rent their vehicle/s only to 'known and trusted' drivers. It is important to note that this relationship is built over several years of family connections via neighbourhood contacts. They prefer to give vehicles to those drivers residing in the same ward. Other autodrivers needing a vehicle require a 'strong' reference from those close to the autolords.

Another example is the case of retail traders in recycled plastic slippers described in the earlier box. Here again the traders depend on the wholesalers for credit. This point about the paradoxical interface of ethnic – spatial proximity is important to recognise since a characteristic of such local economies is the inherent heterogeneity that constitutes them. Thus, there are different sub-groups of Muslims and Hindu groups that co-exist in Azadnagar and form complex cross-alliances. There are the 'Kannadigas or local Muslims' who moved in from the neighbouring districts of Karnataka (some are from Bangalore itself). Then there are also Muslim migrants from other Indian states - such as Uttar Pradesh, Kerala and Tamilnadu. Similarly, the Hindus identify themselves as distinct groups along caste, migratory and residential status. There are the SC/ST population (lower caste), Gowdas, Devangas, Rajputs, and the SC migrants from Tamilnadu and North India. The different groups specialise in different economies. The economy-ethnicity linkages are described in detail in Box 6.

#### ***Box 6: Ethnicity and Economy Linkages***

*The recycling and autorickshaws industries employ a variety of local and migrant, Muslim and Hindu SC/STs (Scheduled Castes and Tribes). The local Muslims are involved in several aspects of recycling - ragpicking, waste trade of different levels, wholesale and retail trade of reprocessed articles. A section of the SC/St population is involved in ragpicking and itinerant trading. The retail trading of reprocessed articles on the other hand has several small players, some of whom are migrants from Kasargod district in Kerala. Different migrant communities are involved in reprocessing. The units are owned by marvaris - migrants from Rajasthan in North India. Their skilled workers are SC/ST Hindu migrants from Bihar and Orissa. The local Muslims control the wholesale plastic trade, whereas their retailers are from local Muslim and Kasargod Muslim community from Kerala.*

*The auto industry is another economy dominated by several ethnic players. The autorickshaw drivers are a mix of Hindu Kannadigas - SC/ST, Gowdas, Rajputs and Muslims. The auto lords are in most cases local Muslims. Auto fabrication and repair units owned mostly by local Muslims, but employ Hindu and Muslim workers. Another example is the case of power loom units - The textile looms are owned by a particular caste 'Devangas' traditionally involved in weaving. The loom workers are Hindus, they are migrants from Salem district in Tamilnadu and a majority of them belong to the SC caste. These workers use this as an opportunity to accumulate surplus, access to markets and start their own looms back in their hometown.*

*There are also economies controlled by a particular ethnic group. Often these are new economies are dominated by ethnic minorities. An example is the Benares sari production. The Benares Muslims, migrants from North India specialise in jari making. Kasargod migrant community and the Hindu from*

*the Gowda caste dominate general services. Other examples are the Kanpur slipper makers and the Tamil Muslims. While the poorer local Muslim households are into chappal recycling and toy making, the manufacture of Kanpur chappals (slippers, footwear) is controlled by richer Muslim migrants from Kanpur in North India. A majority of Tamil Muslim migrants are engaged in food packaging and making of plastic toys. The public sector employees in the ward are predominantly from the Gowda and SC/ST community.*

Different ethnic groups in the ward have carved a niche for themselves in the different economies. This allows poor groups and new migrants with no skills or capital to draw on their ethnic support network to find jobs and consolidate their earnings over time. An example is the Kasargod Muslim migrants from Kerala State in south India. They are mostly in general merchandising services. A new migrant often works first as a shop assistant, with the shop owner providing them with food, shelter and salary. After two to three years, the assistant moves up to start his own shop. Starting a shop in Valmikinagar requires an investment of between Rs. 15,000 and Rs. 20, 000. Since these groups live in a very frugal way, their salary is accumulated and invested back in shops. The Kasargod Muslims are one among the upwardly mobile group in the area.

While we are emphasising the ethnic character of the neighbourhood, we would also emphasise a more subtle but important point. This refers to very complicated reciprocal relationships that reinforce interdependency between different ethnic groups. At one level, this is functional. We refer to the case of Kasargod shop assistants. While being Hindu, in moving up to become retail traders, they take the help of their Muslim wholesaler. Another example is the automobile sector, where the Muslim autolords are dependent on their Hindu autorickshaws drivers for their survival. At another level, this relates to a particular but significant historical consciousness. Some local Muslim groups saw their alliances with the Hindu SC/ST groups since they believed that their forefathers were also of the lower castes but were converted to Islam. This same Muslim group bitterly criticised the Kanpur Muslims whom they saw as outsiders and of a higher income group. Such feelings form the basis of complex political alliances.

While ethnic groups brought in with them new skills, capital and also labour, these are shaped in complex ways by the economies that develop over time. This in turn also diffuses skills to other ethnic groups. Thus both the ethnic and neighbourhood contacts open up multiple spaces for poor groups to survive and move up.



An interesting thing about a place like Azad Nager is the relative lack of income polarisation between ethnic groups. Each group has rich, middle income and poorer groups. Within this structure evolve complex reciprocal relationships. This allows poorer groups to draw ethnic support.

### **1.3 Finance circuits**

The diverse finance circuits in places like Azadnagar allows poor groups to survive and secure economic stability. We had described the wide range and dense economies in Box 1. These have fostered different types of financial mechanisms in the ward:

- a) Ethnic Based Financing Mechanisms
- b) Land based Finance
- c) Private Financier
- d) Institutional Finance

Local groups use these flexibly depending upon the particular purpose, for cash-flow and capital investments in business, house up-grading, and also for sustenance.

*a) Ethnic Based Financing Systems:* It is useful to make a distinction between internal mechanisms evolved by the different ethnic groups to generate surplus and ethnic groups that specialise in financing activities (see Chapter 2, section 2 for more details). An example of the former is the financing arrangement among Kasargod Muslim migrants and Devangas in textile business. The Kasargod shop owners in Valmikinagar for example have a system of collecting Rs. 2 per day from each shop. According to the shopkeepers that we met, this is a sort of insurance scheme. The money is kept in the safe custody with one of them and this lumpsum is used to support community members in crisis. Over time, some of these mechanisms have evolved into organised banking. For example, the society started by Devangas (a native weaving caste) over time has transformed into a co-operative bank to source funds from their own caste members and also government schemes. There are some ethnic groups dominantly involved in financing activities within the ward. In Azad Nager the local Muslims and the Gowda population are deeply involved into financing business. They provide finance for different purposes, including: housing investments and real estate, business and also for meeting basic needs. Several small and some big players characterise this group. However, the extent to which they finance other ethnic groups is a complex issue and is not necessarily along strict communal lines. For example, a local (Bangalore) Muslim lender would finance the Kanpur Muslims (seen as outsiders) involved in chappal making. In contrast, small businesses and autorickshaw drivers, mostly local

Bangalore Muslims tend to borrow from other local Bangalore Muslim financiers. The Gowdas in contrast, finance across the ethnic and income groups. The term of lending is flexible depending upon the relationship between the lender and the borrower.

*b) Land based Finance:* These financiers, while drawing surpluses from several sources, use real estate markets as a main one. The real estate market provides several types of circuits. One can be rental income, another are different types of 'lease arrangements' while a third are plot sub-divisions and sales. In addition to real estate, this group also links to trade based finances. This can also include chit advances borrowed at lower interest rates, which are then circulated for higher interest. For the poorer among them, rental receipts (Bogey) are a popular instrument and source to mobilise finance. This helps them raise lumpsum finance.

*c) Private Financiers:* These are several types of people operating as financiers. One are people who are involved in trade circuits involving people living in their same neighbourhood to access lumpsum surpluses. Thus, financing here emerges from participating in particular local economic systems. Others have access to capital due to their family background -- being handed down wealth from their forefathers. There are also professional financiers normally belonging to particular ethnic groups like the Marwaries and the *Chetteiars* (the trading group of Tamil Nadu). There are also private financiers who reside outside the ward of operation. Here again there are different types. One is the 'madrass financiers' who visit the area and finance on a daily basis. The residents of Bande slum, for example, get their financing from this group. Often lending small amounts in easy instalments, this type of finance cater to supplementing expenses of poor groups. The second are the private financiers located in the market ward and specialise in financing for some occupations. An example of this is auto financiers. The financiers participate in various types of chit funds. These are largely organised around occupational and ethnic lines. For example, waste traders, like Azgar, runs a chit that includes mostly ragpickers but also residents in the ward. Similarly the Gowdas, being into finance across the ethnic and income groups, are usually part of a city wide chit group. While these two types mentioned are the larger chits, there are many smaller chit circuits that operate in the ward. This is very pervasive and the majority of household in the ward are associated with some chit circuit or another based upon their ethnic, occupational and neighbourhood linkages. This variety of chit circuits brings together poor and rich groups, each with different capital needs and help to reinforce their inter-linkages.

*d) Institutional Finances:* State programs are an important source of finance but for particular groups. For example, the cobbler society receives government funding for marketing their leather products. Another example is auto-financing. Auto financing is one of the major budgetary allocations by the different government agencies, KSFC and also the minority commission. However, it is very important to note that these procedures being highly bureaucratic, need extensive perusal and also bribery at different levels of clearances. On the other hand, these neighbourhoods with a well consolidated local economy, have also evolved a well-organised system of 'agents' who take care of access to institutional finance in the ward. This system links the applicant through the various departments of the State institutions and on to the nationalised banks. The sanctioned loan amount covers the auto price including the bribes to be paid at various levels, agent fee and vehicle cost. Given this system, the common strategy is that an individual seeking loan finance for investment, initially borrows from private financiers. This helps get the business started and to afford the procedure of accessing subsidised capital. Following this, the application process is started and when received, is used to repay the principle amount.

Thus, we can see that complex financial circuits have evolved in parallel to the various local economies in such wards to act as a significant spur to them. These circuits have local and also external influences. As an economic system, these mechanisms also help to inter-relate different economic circuits that together drive the local economy and thus have an important 'stability' function. Another important point, given the ethnic diversity of such neighbourhoods, their diverse financing mechanisms further draw together different groups - rich and poor, Muslim and Hindu, upper caste Gowdas and lower caste SC., native Muslims and Tamil Muslim migrants into a complex web of reciprocal relationships. For example, the SC autodrivers depend on their Muslim autolord for finance/credit. Similarly he may be a part of his chit group which has both uppercaste Hindu Gowdas. Another example is the case of Asgar whose chit members are an assorted group of ragpickers, lower middle class women, the cash rich Muslim men etc. This as we shall see in the later section, made the local political structure porous for poor groups, to establish their claims.

## **2. LAND SETTINGS**

Land plays a critical role in fuelling the expansion and diversification of local economies. The first is land as a factor of production along with labour and capital. However, the important thing here are both market and non-market aspects of land. One important issue is of location offering favourable physical space and level of infrastructure / services, but also influenced by forms of tenure that are

shaped by institutional and political factors. A most significant factor fuelling local economies in Azadnagar is the diversity of tenure that allows different income groups with varying skills to settle in close physical proximity. At a broader level, the importance of Azadnagar's location also comes from its proximity to the centre city ward - KR Market. Here it is useful to recall the expansion of textile economies into the ward. Thus location is also to do with being 'urban' where it becomes a repository of localisation and urbanisation economies. The Land Development process is critical in shaping tenure forms. In places like Azadnagar, which developed outside planned framework, land development happens in a complex socio-political environment. Claims are established not only via markets but also ethnic and political routes. All this in turn, shaped by the way institutions have intervened in the local arena over time. The following section discusses the above mentioned aspects.

## **2.1 Land Tenure Options**

The most significant aspect of such neighbourhoods is the diversity of land tenure options that have evolved in close physical proximity. There are different types of settlements in Azadnagar. These land settings offer flexibility in terms of physical space, land use, and cost for the different economies and their actors to locate themselves in close proximity.

### ***Box 7: Land - Economy Links via multiple settlement and tenure types***

*The land supply systems in Azadnagar comprises of a variety of subsystems - free sites formed by state agencies and distributed to poor groups, revenue plots, Gramthana or layouts on village land and squatter settlement. Valmikinagar one of the largest layout in the ward for example was developed partly by the State for free sites and partly by private developers. Azadnagar, another large layout in the ward evolved on gramthana land. In addition, there are a large number of smaller private revenue layouts exist in the ward - Markandeya layout, Vittal nagar layout, Adarsh nagar, Rudrappa garden etc. Besides, the Bande Squatter settlement emerged on 'marginal' land in the abandoned quarry area, low lying land in the ward. The different land settings encompass the variety of economic activities and its actors.*

*Different types of local economies came to be located on the free sites and some of the private layouts. Along with the economies, a buoyant housing market also thrives in them. Valmikinagar layout for example has a variety of production activities and residences. On the 'First Main' road of Valmikinagar, houses different production activities related to recycling and autorickshaw industry are located. The plots here measuring 30'x40'; and 40'x60', along the main roads support multiple functions. The front portion of the plots, easily visible to onlooker, has different economic activities. 'Vattarams' or multiple rooms rented within a same compound have evolved in the rear portion of the plots along the main road and in the interior street. These provide a range of rental options for the workers and their entrepreneurs involved in the various local economies, ranging from a minimum of Rs. 200 to a maximum of Rs. 1000 per month. The rear portion has minimum 3 to 4 rental units. Some of the plots here have been subdivided, but even in such cases there is at least one or two units available for residential renting. The entrepreneurs usually stay in the residential units located above the shops, or at the rear portion. Further down the same road, empty plots are rented out for autorickshaw drivers and matadors.*

*There are other examples, the 'Markandeya layout' houses power loom and other electrical units. This neighbourhood has about 70 plots. The layout was formed specifically to provide land access to weavers by their co-operative. The looms are located on the ground floor and the entrepreneurs stay in the upper floors. According to one of the larger twisting unit owners, Veerabhadriah, there are around 100 looms here, of which 60-70 are involved in twisting and others in dyeing. He owns two looms on the ground floor and stays in the first floor. All the 70 plots were once occupied by the power loom owners. With the weavers moving out to other areas, which also developed as weaving clusters, other small entrepreneur's have invested in such plots. A recent activity is that manufacturing of electrical items.*

*A variety of tenure forms have emerged in these varied settings to support the economic and housing needs of different actors but located in physical proximity. For instance, different actors related to the ragpicking industry are located within the same ward. This includes the squatter settlement of 'Bande slum' which is occupied by ragpickers, unskilled coolies working in the reprocessing industries, market coolies and small vendors with businesses in and around Azadnagar. Similarly, loom-owners reside and work in Markandeya layout, whereas their labourers stay as tenants in the adjoining layouts of Valmikinagar and Azadnagar.*

*While local economies developed along the main road on both land subdivisions on a rented and absolute sale basis, a dense rental market thrive in the interior streets. For instance, Vattarams supports an extensive rental residential market within the various private layouts. In Valmikinagar's interior streets with relatively smaller plots developed through extensive subdivision have evolved extensive renting for residential units. This environment is highly dynamic and under constant change. Both the plots on the main road and the interior streets have buildings with different levels of consolidation - RCC houses, as well as those with thatch, tile, tin and sheet roofs, with varying levels of infrastructure facilities. The residential rents in them ranged from a minimum of Rs. 200 to a maximum of Rs. 1000. Most plots had a common infrastructure facility - a toilet and a water tap shared by often 4-5 families in some streets. In other streets, the plots do not have individual infrastructure. Imitiaz, an auto lord, owns a plot in one such street. The plot measuring 20'x30' opened on to two streets and had a tile house with three portions - two on renting and one for his own use. His renters - until recently included an autorickshaw driver and an old widow. The tenant sometime used to hire an auto from him. Both Imitiaz and his tenants depend on the public toilet located at the end of the street. Water supply is again through a public standpost located on 1st main road. The Kasargod Muslims, most of whom come as single, sometimes live in rooms as small as 6'x8'. Another large layout, Azadnagar similarly has rental options ranging from Rs. 200 a month to Rs. 1000 a month. The low-end rental housing markets cater to labourers in the different local economies. Vittal Nagar on the other hand developed as a middle income neighbourhood. The low-end rental market supports the needs of a majority of labourers in the different local economies. A majority of tenants and owners in Valmikinagar for example are autorickshaw drivers, garage workers, and small vendors in the market and private factory employees. There are also a variety of tenure forms. One can be outright sale, but others can form part of partnership deals between plot owners and entrepreneurs. This is also complimented by the 'Bhoge' form of leasing. All these forms affect not only the price but also the form of payment: lumpsum or incremental and variations in between. Thus, an entrepreneur can customise a variety of factors -- location, types of land and infrastructure settings, and forms of real estate transaction according to his economic circumstances.*

The above box is illustrative of the importance of diversity of land tenure forms for the evolution of diverse local economies. The tenure diversity is critical for surplus generation. Here we would like to refer to the 'cash flow organisation' of poor groups. We had discussed this issue in some detail in the report of the first phase of this research (See the case of Shankar p.81). There we argued that the important issue for poor groups was not surpluses in an absolute sense (and hence incomes in an

accounting sense) but how these fitted into a 'cash flow' of dynamic cycle across different seasons. This cycle revolved around a continuous sequence of loans from Chit funds - investment in housing and economy - loans from chit funds - - investments in land etc. This complex financing was shaped by several variables. These were the trade circuits, but also the varied form of investments in real estate and land. Here too, the field was quite varied. This included the mix of quality of materials: Thatch, tile, sheet and RCC houses, of different sizes and infrastructure facilities, and finally available under flexible tenure options: Renting, leasing, occupier, ownership. Thus, settings like ward of Azad Nager provide multiple options that fit into complex economic strategies which in turn influence possibilities for mobility. A common sequence is as follows: The poorest groups may move into a locality as renters in the squatter settlement in a thatch house. For this they would initially borrow an amount from the private financiers to pay up the required advance. This is also helped by seeking support from one of the several local leaders (using ethnic/ employment based / or class linkages) to gain a foothold in the political system. This move can also help them to squat on the land. Once settled in close proximity to employment opportunities, access to the various social circuits helps them consolidate their social and economic contacts. With greater stability, they move on to other tenure forms or to more productive locations. Those groups who manage to accumulate surplus seek to invest in the private layouts. Thus, the local real estate market is a key component of these strategies. We came across several cases of very poor Bangalore Muslim entrepreneurs who moved into Valmikinagar as very poor renters. They used similar strategies to move up to become landowners of small revenue plots in the same neighbourhood. The diversity of land settlement types and tenure provides such opportunities. For example Asgar, as one of the larger waste traders in Valmikinagar, occupies a relatively large plot measuring 40'x60'. He has rented the entire plot and has a shop along the frontage and a small house behind. In between this, he uses the vacant space to store waste materials. His shop is also sometimes used by the ragpickers in the night as a sleeping place in lieu for assured material supply for Asgar. At the time of interview, in April 1999, he was negotiating with his landlord to buy the place off him. In other cases, such large plots are sub-divided and rented out either on a monthly basis or on a *Bhogy*. The intensive rental markets on private layouts thus allow for new groups to move in. While, this is also structured along ethnic lines, the fact is that there are several options and norms opened up by those ethnic groups already settled in.

The second important factor supporting 'cash flows' concept mentioned earlier is the possibility of flexible land use. As we saw in Box 5, local economies and urbanisation fuel each other to produce an upward spiral of economic growth. Land settings, allowing flexible land use, incremental development

and plot variation are critical to foster a particular pattern of urbanisation in Azadnagar. Almost all plots support multiple functions. As we saw in the case of Valmikinagar, described in Box 7, plots adjoining main roads, support commercial, industrial and residential functions. Second, the land development patterns and pace respond to individual needs. A case in point is the land rental system that exists in Valmikinagar. Similarly empty plots given on rental basis for auto parking -- as part of the autorickshaw cluster.

One observes a variety of plot sizes in the different types of settlement patterns here: The Vattarams, the revenue layouts, the squatter settlements and the Gramthana layouts. These contrasting layouts formed by the Bangalore Development Authority, which are driven by a middle class image of a planned city and its own accounting practices. In the Azad Nager ward, it is also possible for an investor to invest in more than one plot. This is in fact quite common, even among the middle range of poor groups. The aim, keeping in mind the future needs, is to expand incrementally over time, or derive land based surplus for further investments.

## **2.2 Land Settlement Patterns**

As we will see in the box below, the interplay of different ethnic groups is closely related to how land was settled and transformed over time. This layering of ethnic groups also results in the layering of 'claims,' the evolution of economic relationships as we discussed in the previous section, and as we shall focus on in the next, on political alliances. Thus, the settlement of land is critically important to consider from the way a society evolves and is structured. 'Localness' is extremely important. The other issue for the reader to observe is dynamism -- where the characteristics of land evolve in response to markets and also as a setting for economies. It is significant that as the local economies here have consolidated, land settlement and development option have also got more varied.

### **Box 8: Locality, Ethnicity and Land Settlement**

*Valmikinagar layout and Azadnagar are the oldest settlements in the ward of Azad Nager. The history of Valmikinagar dates back to 1947. A large portion of the land was under institutions mainly under military use, belonging to an important temple, and also under the princely state of Mysore. The then ruler - Mysore Maharajah also held agricultural land for which he was collecting taxes. The temple was another large landowner in the ward. The layout was formed to provide free sites for poor groups especially the cobblers of the ward. Ganesh one of the community leaders and an active party political worker, claim that cobblers came to the area prior to independence to work for the British. A military outpost located in Azadnagar ward provided regular job contracts for leather belts and shoes supplied to them. The cobblers settled on the agricultural wasteland adjoining the military outpost, controlled by a Hindu king at that time. Prior to British occupation, Tipu Sultan - a Muslim ruler, ruled the state. Some*

*Muslim settlers claim that they have stayed in the ward as long as the cobblers have and that land was allotted to them by Tipu Sultan. After independence with the closure of military out post, and accession to Indian State, land was taken over by the Government. The cobbler community was allotted about 200 sites in the ward in the 1960s.*

*Faced with declining economic prospects, these SC plot owners of Valmiki nagar diversified into other local economies including renting. Around the same time, demand for rental houses in western ward emerged from large number of small factories and businesses in the market area of Bangalore. Most sites in Valmikinagar measured 30'x40' . Being relatively large, plot owners started to rent out one room units as part of their structure built on these. This attracted local (Bangalore) Muslims to settle in the ward. A Muslim political activist claim that Muslims started to move into Valmikinagar 30 years ago. They came in as tenants in Valmikinagar, and mostly settled in what is today called the 'First and Second Main' road of this neighbourhood. These groups mostly worked as coolies in the market, or in the garages in the surrounding ward especially in Padaranyapura. They also started their own small service and general merchandise outlets, trading and fabrication units -- moving up from being coolies. Investing into business spurred the rental market since it helped to free surpluses. Even today, a sizeable number of local Muslims live in rental tenure. This process of upward economic mobility still continues with coolies moving into autorickshaws, waste related trades and other small-scale production. As a consequence, land rentals and building rentals thrived to support the diversified activities. Some of these groups have also moved into the property market -- investing their trade linked surpluses into properties within the same ward. When the older cobbler families moved out of the ward to be closer to their newer occupation, their property provided an important supply*

*The land, on which Azadnagar stands, for example, was used in 1949 as a military ground camp. After the Second World War, people started settling in this area. An ex-councillor Ramegowda claims that private farmers also occupied a part of the military land. They subdivided the land to form layouts and sold it to migrant settlers who were living as renters in Azadnagar and in other western wards. Most of these were from the Gowda community. Ramegowda says that he too purchased his own plot from one such farmer, and says that his family was among the early settlers in what is called Anantaramiah Compound. This layout with about 200 plots of size 30'x40' was formerly government land under military use, but was subsequently occupied by a private farmer. The individual farmers also sold their land as complete layouts to occupational groups such as Devangas, public sector employees and specific caste groups: Rudrappa Garden, Markandeya layout, Kasturbanagar, Vanniyara colony, Vittal nagar etc. Similarly, the Basavangudi Temple Trust apparently owned large agricultural land tracts in the western ward, and temple land was subsequently allotted to individual owners -- most of whom were Brahmins. The Brahmins in turn, sold their property to the Gowda settlers.*

*Adjacent to Valmiki Nager, Azadnagar layout is the second large layout in the ward -- formed by the military establishment to rehabilitate its soldiers. This attracted two other communities into the area - the Gowdas and the Rajputs (employed in the military). The Gowda community was mainly migrants from neighbouring cities and towns in the West such as Mysore, Channapatna, Madur etc. In 1950, plots were allotted to lower level employees (cooks, gardeners' etc.), In 1960 when the military outpost was closed, another 250 houses were distributed to class IV employees. Azadnagar layout today has more than 3500 such plots of varying sizes. Part of this is also developed as revenue plots. Groups here have invested in*



*trade and small scale manufacturing after military's withdrawal. The Gowdas, in addition to trade, moved into renting and finance business. The location of the BINNY Mills in close proximity and other Mills, along with land settings that allowed for renting and diversified plot sizes attracted Devangas (ethnic weaver groups) and fuelled the growth of looms. This growth in turn, resulted in the extensive subdivision of plots and a dense development. Later, employees of public sector companies, drawn from different ethnic groups - Lingayats, Tamil also came to settle in the ward due to cheap rental options. With Gowdas coming to dominate the area, many Rajputs sold their land in the late 1980s to Marwaris (moving in to respond to the demand for capital and finance) and moved out of the area. Some of the Marwaris also started reprocessing units and also opened up several pawn broker shops. The development of recent economies such as powerlooms, plastic reprocessing has also attracted other ethnic groups - migrants from Tamilnadu and Bihar and Orissa in North India moved into the ward. The concentration of looms in some neighbourhoods attracted specialised weavers of Banarasi saris from Uttar Pradesh -- as discussed in the first part of this section.*

*The growing economy and the close proximity to central city locations of this ward has also attracted very poor groups to locate here. The competition over land allows for two basic options. The first as discussed earlier, is in the extensive rental markets. The second is a squatter settlement growing in an abandoned quarry. This is called the 'Bande' slum and is about 15 years old. Interestingly, most occupants here previously lived as renters in thatched houses in Valmikinagar. When this group started to settle in this area, there was little objection from land owners since this was considered to be relatively marginal land -- either near the lake or on the top of a rocky outcrop. With each election, the settlement has expanded and today, much of the low-lying areas in the ward is occupied. The squatter settlement housed families from both poor Muslim and Hindu communities. The Hindu men are engaged in construction works, push cart operators, jutka ghadi drivers, auto drivers, market coolies, agarbathi and beedi workers - most of whom are working in the market. Others work as coolies in the City Market area, in the numerous garages in this Ward, as construction workers, stone cutters, manufacturing agarbatti and beedi rolling, and as cobblers .*

As can be inferred from the above box, several factors influenced patterns of land settlement. Here, different institutional owners, the Muslim ruler, the military controlled by the British, the Indian State influenced the initial stages of land development. These institutions provided access to land to particular ethnic and economic groups depending on the socio-political compulsions and the way these groups could access them. Ethnic grouping too are not rigid but must be seen in the context of the local situation -- political and economic. For instance we referred to the local (Bangalore) Muslims in these wards who identify themselves with SC groups (claiming that their fore fathers got converted into Islam during Tipu Sultan's period in 1750 AD and that they were actually part of the SC community).

A second important factor is that while the 'market' defined access for most of the initial settlers, it was not always an 'open' market system around individual actions. Instead, this was shaped along ethnic lines, and also according to the nature of inter-group links. A very important aspect of land

development in these western wards is that almost all land development has happened largely outside the Master Planning framework. This has allowed multiple actors to shape the land process (rather than the elite and corporate institutions to access land, as has been the case in South Bangalore and most of the planned cities of India). Local politics here plays a critically important role. As land was developed outside the 'legal planning' framework, investors negotiated as groups to reduce their tenure risk. An example is the Markandeya layout formed in 1958, by the weavers' co-operative society buying the land in a consolidated way. There are 70 sites in this layout. Another example is the Gowda settlers who negotiated with vattarams owners. For this, they took the support of their relatives and friends that had already settled in the area. Thus 'group negotiation' was also resorted to reduce risks associated with private layouts and also to lower prices. This also had implications on local politics since buying land in this way contributes to building alliances. Thus, access to land was shaped by complex social and political processes (rather than purely a market transaction) and also in turn shaped these aspects.

There are other non-market aspects built into the form of land development of 'non-Master Plan' areas. Being outside the planning system, infrastructure is incrementally developed. Here, access to infrastructure and services too have important political underpinnings via the consolidation of vote bank politics. To clarify this issue, we turn to the case of the Weavers Layout (Box 9).

**Box 9: Councillors, Leaders and Local Development**

*In 1961, the association in the Weavers Layout was registered in order to undertake area development works. Their association in the initial stages, concentrated on provision of basic road, drainage, water connections and electricity. In 1980, with the support of then councillor, the residents were able to get a link road providing them better connectivity. There was still problems getting a stable electricity connection. This continued till 1990. In 1995 the association, with the support of then councillor Ramegowda, got the KEB to install a transformer. The association used at times even legal strategies to secure their interests. For example, to safeguard their Civic Amenities (CA) site allocated by the Government but used by another person.*

*Another illustration of political strategies underpinning land development relates to the way Kasargod Muslims have established themselves. This is a relatively small but closely knit minority group. This is even though they have not settled in this locality as a group but on an individual basis. However, their negotiations with the local politicians and parties happen as a block. During election time, they work very actively and push local politicians on their demands. Here, if they find that a particular party of individual is responsive, they establish their support as a block. One issue was the issuing of 'Ration Cards' (which forms the basis to access subsidised food and cooking fuel from the Public distribution system) which they were able to successfully implement for their community.*

*While middle and higher income groups criticise 'Vote Bank' politics, this seems to be a very effective way of ensuring that investments are spread to poor groups in wards or even at the city level. In the conclusion of this section, we will discuss how it is important to differentiate between different forms of vote bank politics; that which is party based centred around distributing liquor and money to buy votes, trucking poor groups to attend party based political rallies. This contrasts a 'vote bank politics' that is centred around facilitating access to land, upgrading services, protecting poor groups from demolition*

*by richer ones, sorting out local disputes over property boundaries, helping to get the bureaucracy to be responsive to local needs.*

*In a political-operational sense, this also provides a direct way to ensure a flexible system of ascertaining local priorities and budget allocation at the ward level. The situation in Bande slum for instance, is a case in point. This slum, because of the status of land tenure cannot get any investment through regular institutional budget procedures. While other residents in the ward and the councillor consider this as the most undeveloped area the fact remains that the settlement has access to a basic water scheme, sanitation, electricity, residents are on the vote list, have ration cards and Hakku patra (Title deed). All of this has been via the political process at the level of councillors. One of the councillors also provided free electricity to the residents under Bhagya Jothy scheme, access to ration cards and entered their names in the voter list, constructed 6 public toilets. In 1992-93 again with the support of a councillor contestant, the residents formed 60 plots on the lake bed area. In January 2000, the municipality made provision for individual water connections, and by March 2000, the UGD and water connection was upgraded. Now, a few houses even have individual toilets. The present councillor has also shifted the trajectory of the existing water pipe. With this, most of residents are able to get individual connections. Depending on the pressure, they get water for 12-14 hours solving the water problem. Recently the BWSSB imposed additional charges for this service -- for residents with individual connections. Initially, the residents accepted to pay the amount, but subsequently they also approached the councillor saying that they cannot pay the amount in a single instalment. It is almost for sure that a similar squatter area in South Bangalore would never be able to get such a level of services.*

*The consequence of the political underpinning of infrastructure investments is that investments have had to be made incrementally in the different layouts. This however also ensures equity since in order to retain his /her vote bank, councillors have had to ensure regular investment and upgrading the infrastructure levels of different parts of their wards. Also, residents cannot afford to pay all the charges for infrastructure in one go. This process also helps to spread it out. This incremental development also means that these can be somewhat demand driven -- relating to the kind of economy and specific needs.*

*The political underpinnings are also important to sustain different local economies. This is because conventional land regulations and the building bylaws do not provide for mixed and high-density land development that is critically important for local economies. For example, although the ward is classified as mixed residential area, location of looms classified as industries as per the existing rules. According to the BCC rules, industrial licenses are to be issued to these units looms. According to one of the ex-councillor, during his regime, he ensured that the looms were classified as 'cottage industries' thereby bypassing this regulation and allowing the operation of these units in his ward. Due these kinds of political pressures, the planning system is forced to be tolerant of the existing activities -- so much so that even power looms are tolerated. Even if a councillor is not powerful enough, the diverse and decentralised local leadership helps to guard against regressive municipal actions. For instance, once there was an attempt to close tea stalls in the ward on grounds of health hazard. The municipal authorities apparently visited the area and tried to close the establishments. While the councillor did not strategically intervene, the local leaders supported the shop owners in subverting the official orders. They argued that BCC had no 'right' to close the establishment, as it was their 'breach of duty' in not fixing or collecting license fee prior to this event from these small establishments. The local resistance was so intense that the BCC officials had to return empty handed. After this encounter the BCC have not tried to close any establishment.*

The above box shows the importance of local political processes in shaping land development and also the local economy. This in a sense introduces our next theme that explores this issue in detail.

### **3. LOCAL POLITICS**

In the above sections we saw the importance of the dense and diverse economies for poor groups to find an employment, to stabilise their economic situation, and move up the system. The diverse economies also brought in ethnic plurality in the neighbourhood. An important feature abetting local economies is the land development process. Here again, the several historical layers of settlement and ownership patterns have supported the emergence of tenure diversity and thus facilitated the entry of different ethnic groups. Land development, largely outside the 'planning framework', is influenced by claim making structured around complex socio-political processes. One could argue that local politics has much of its root in land issues. The population diversity in turn influenced a particular pattern of local political structure characterised by several actors, with varying powers. The diversity in the political structure, as we shall see in this section, is critical for poorest groups in establishing their claims.

This section describes the local political structure in the different neighbourhoods of Azad Nager, and how these came to be shaped. An important aspect of local politics is the variety of local level political strategies -- often perceived by middle and high income groups to be 'sleazy, corrupt' mechanisms. On the other hand, our field investigations reveal that these become critically important for poor groups in subverting institutional interventions that are almost always regressive to their interest. In one of the concluding sections of this report, we shall conceptualise these processes and forms of politics. One concept that we discuss in some detail in Section 4B has to do with the *Politics of Stealth*. Put simply, it refers to less visible political and administrative strategies that local groups, politicians and lower level bureaucrats use to push an agenda that contradicts what is officially publicised. In this section, we will show how this pervades the different arenas - elections, the day to day dealing with different levels of institutional actors, the courts, the local newspapers etc. It specifically includes the lower level bureaucracy, election rigging, cross party support, floating party loyalties etc. While some may see this as political and bureaucratic sleaze, the fact remains that it is one of the few options available by poor groups to respond to an institutional and political structure dominated by powerful rich and organised economic interests with higher level politicians supporting them.

### **3.1 Claim Making Process**

Neighbourhoods like Valmiki Nager in the Azad Nager ward, (and others like Yashwantpur described later) epitomise an operating form of what we term as 'Municipalised Governance' in the concluding chapter. The complex municipal politics (and now having evolved strong links at the State level) has its roots in land issues. As described in the earlier section, land was developed outside the 'planning

framework'. Land claims dominated the ward's initial political history. As local economies grew, land issues focused (pushed by the various economic interests) on the regularisation of economic activities. Today, in wards like Azad Nager, dominated by heterogeneous income groups and economic interests, its politics is centred on variety of issues: Employment, land regularisation and access to institutions for licenses, government loans and business opportunities. At the level of the poorest group however, politics still focuses on access to land. The situation is complicated due to the complex crosscurrents at play. At one level, ethnic groups are set within increasingly expanding and diversifying economies. The new economies also attract groups that are economically better off and can pay higher rents as compared to the old settlers. The latter, being more established, seek political and community support to reinforce their claims on productive locations. Such trends create tension between the different groups. All these conflicts are played out on the local political arena and may take different forms - communal, caste, regional, linguistic, and trade politics. These factors bring together as well as divide the different groups in the ward, contributing to the emergence of flexible coalitions and shifting coalitions for political bargaining. In all this, as we discuss below, the existence of a wider range of local leaders plays an important role in 'spreading' the representative process.

As economies consolidate and land is developed in wards like Azad Nager, a variety of mechanisms of claim making emerge at different levels. These centred on the elected representatives. At one level, this may seem hierarchical: Street leader, local leaders, Councillor and the MLAs. Just as we suggested complex inter-linkages across ethnic and income groupings, political relationships while broadly following this hierarchy often operate across these. Thus, the broad structure is as follows. The councillors have links with MLAs (of the State Government) to reinforce their claims in the political and administrative system. Next, councillors (and their competitors from other political parties) have party workers operating as their representatives. These local leaders come from the community. In turn, they act as a link to street leaders and office bearers of associations (the 'community') and the party political representatives. But this is not always too straightforward. Starting from the community level, Street leaders here may approach several party workers to test out their responsiveness to their demands. Interestingly enough, even the party workers often maintain several affiliations to see at election time, what kind of deals are they offered by their political bosses during election time. At times, the Street leaders may approach the councillors directly or even the MLA if the issue warrants it. Similarly, a MLA might choose to intervene at a local level by-passing the entire chain of command. In addition, ethnic, and occupational affiliations shape political circuits. These situations are not to suggest complete chaos but to make the point that the structure of claim making in wards like Azad

Nager are flexible used shaped by the exigencies of the moment. We feel that this helps to keep the politicians on their toes rather than see it as a dis-functioning system. As we see in the illustrations below, political agents in such an arena cannot afford to take chances. It is hardly surprising that during one of the last by-elections, very senior party officials visited Valmiki Nager at the day of the voting to ensure that this act was seen as support by the party to their candidate. The box below helps to illustrate one such structure.

### **Box 10: Local Political Structure**

*There are three main competing political parties – the Janata Dal, Congress and the BJP in the ward. RG, was one of the ex-councillors of the ward, was elected twice to the municipality on Janata Dal party ticket. As his name suggests, Rame Gowda hails from the relatively higher caste Gowda community, known for its political clout in the city. As the ward has a dominant Gowda population, different parties field a Gowda candidate. This situation however, compels political contestants to evolve strategies to woo other non-Gowda voters. In order to mobilise votes structured along ethnic lines, higher level party politicians nurture a local leader that will work for them. RG has the following leaders from the different communities working under him. Ganesh and Imitiaz are two such local leaders. Gh is from the cobbler community and is a lawyer by profession. His father was also a well-known local leader in the area. Consequently Gh commands respect among his community members. Most of them being uneducated comes to him for resolving institutional and personal conflicts. Similarly, Imitiaz as an ‘autolord,’ and a financier, has contacts with different Muslim population and also a section of Hindus via his professional contacts. Interestingly, Imitiaz also sees an alliance with the SC/ ST groups here since he feels that his forefathers were once from this community and converted to Islam. During one interview, the SC and the Muslims leader together claimed that their roots are the same. One of the leaders Imitiaz stated*

*‘ We ... the local Muslims were originally SC. and were converted by Tipu Sultan. That is why, when Chamrajpet was formed, the SC. and we were allotted relatively inferior part of the layout. Our roads are smaller and there are no drains in comparison to the Gowda area’.*

*We found such ‘consciousness’ to be quite prevalent and it did not come from political expediencies (while these might have certainly reinforced such beliefs). Thus, both local leaders also use their respective associations, their religious background, and community consciousness to mobilise votes.*

*Most of the residential associations found in the different residential layouts of the ward are not registered. One of the residents claimed that previously there was at one time a registered association in Bande Slum. This had membership from both Hindus and Muslims. The squatter residents were dominated by Muslim community and few Hindus. Due to financial misuse, politicians interfered into the association issue, and resulted in a big fight due to which the association disintegrated. Following this, most slum residents contact councillors directly. This may also be due to their stronger political clout and needs for civic infrastructure. Residents of private layout approach councillors via local leaders. There are associations in the various neighbourhoods. These are organised along occupational lines. Often, a local leader would head these. One example is the cobbler association. The cobblers in Valmikinagar, have a co-operative society. It was registered in 1958 with 30 members. At present there are 130 members in the society. The registration helped them to access loans from the government to set up showrooms. The members claim that even after they opened the showroom there is no business, for many cobblers moved to other areas. At present the society got a mobile van from government. Thus, an association is a nebulous concept and linked specifically to a particular need rather than kept alive. Most establish direct contacts with the elected representatives – councillors, MLAs and the ministers via their ethnic and occupational affiliations and the local leader system. Elected representatives i.e. the councillors and the MLAs also maintain a direct day to day contact with their constituencies.*

Two intertwined factors are at work in nurturing political structures. The first is related to the dialectics operating at the level of the larger society, and between the different ethnic groups which contributed to the emergence of flexible and shifting coalition. While at one level, the ethnic, income and occupational diversity fracture the different groups, they also foster complex reciprocal relationships binding the different groups in complex ways. This has two important consequences for pro-poor processes. First, it links poor groups to political circuits via multiple options. Second, it binds rich and poor in complex ways, diffusing polarisation along economic or political lines. These reciprocal relationships compel powerful groups to respond to the needs of poor ones. Box 11 explains this complexity.

**Box 11: 'Melting pot'**

*The majority of poor groups are employed in a variety of activities related to waste recycling and automobile. The Hindu populations (largely SC) as rag pickers are linked to the Muslim local leaders in waste trading. A variety of credit arrangements - finance and trade bind them with other income and ethnic groups. Those occupying relatively higher position in the two economies tend to be active in the local politics. Without political clout it is often difficult for them to generate economic surplus. On the other hand, their clout also comes from their trade links and the 'multiplier-relationships' that this spur. The multiplier is especially powerful due to the cluster or chain characteristics of these local economies. Three of the local leaders that we met for this study, were engaged in auto renting, wholesale waste trade, and retail waste trade. The poor are drawn from both the Muslim and the Hindu religion. Ghousie, another local leader, a local Muslim for example owns a wholesale slipper shop in the area. The traders that work under him are mostly Kasargod Muslims and a Tamil SC. Ghousie provides his traders materials without taking any credit. Similarly the autorickshaw drivers- Hindus and Muslims in the private layouts and in the squatter settlement have links with Muslim autolord in several ways, who is active in local politics. This autolord, like other autolords (also Muslim) depend on Muslim and Hindu drivers (from a variety of ethnic and caste backgrounds) for renting their vehicles real estate, and also participate in their chit funds.*

*Furthermore there are other ethnic and religious pressure operating on other powerful actors to support the poor. The ragpickers most of whom are from SC caste are also linked to SC leaders in the ward via their caste connections. The local Muslim community wielding higher political clout in terms of their numerical strength and also their neighbourhood connections also has some of the poorest families. The Jamaat or Muslim congregations via the mosque wield enormous clout in the area. Here, a very important convention is that the better off Muslim residents are obligated to help the poor via their Jamaat. This is particularly important for Tamil Muslims who are at the lowest rung -- both economically and politically. They draw on their religion connections to enlist the support of powerful local Muslims to access jobs, housing and also during crisis.*

*The local (Bangalore) Muslims are also financiers for other ethnic groups, with some occupying relatively high positions within the financing business. The relatively high-income groups such as the Benares Muslim in fact, do not have much political clout. Their advantage is money power aimed at the local leaders, many of whom do not have as much economic power. As explained before, the Kasargod Muslim use their strengths as a vote block to establish their claims. This is also the case with the SC groups. Many of these face economic vulnerabilities but are numerically among the largest voting block in the ward.*

The above box shows the complicated maze of relationships, conflicts and alliances shaped by occupational, ethnic, class and religious lines into a complex web. At one level, poor groups inter-linked in reciprocal ways with richer or more powerful ones to the extent that they need each other to survive. However, the converse is equally applicable. As much as there are circuits binding the different groups, there are equally powerful forces severing such links. For example, the Muslims come together under a common religious banner on some occasions. There are other occasions, where they hold fiercely on their regional identities. The local dialect is replete with references to local Muslims, Kasargod Muslims, Tamil Muslims, and Benares Muslims and UP migrants. Similarly caste divisions are quite strong among the Hindu population. The enclaves of the Gowda upper caste members, Devangas - a backward community and the SC castes are quite distinct. Added to it there are rich and poor groups in each community. The poor SC's and the local Muslims come together along their class line.

We also observed that there is resentment among the local Muslims about the better of Muslim migrants. A lower level political worker from a Muslim community, commented:

*They (the Benares Muslims) have high earnings. Although we are Muslims like them, they would not even let us inside their house. They are so scared that we will learn the trade.*

These multiple identities influence the alliances that an individual/group enter into at any particular point in time. Thus an individual can form part of different coalitions at any point in time. Loyalties are thus flexible and are constantly changing depending on the issues. We feel that it is these flexible coalitions that have further reinforced the bargaining power of the poor groups with political representatives. It also exerts pressure on the elected representatives to respond to diverse local needs related to regularisation and investments -- without fudging the issue under the garb of communal or identity politics. This is not to deny the existence of communal politics. In fact, many of the Western Wards are seen by the middle and upper classes as being communal 'hot beds'<sup>48</sup>. As we discuss below, we see communal politics here mainly as part of a political strategy that may be used to buy time but not be sufficient to garner crucial votes in places like Azadnagar. Also, when indeed communal riots happened, our information is that these were spurred by Party lobbies attempting to disrupt local alliances and ensure party compliance of local level political workers and agents. This was also taken

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<sup>48</sup> It is interesting though that middle and higher income areas like Malleshwaram and Baswangudi have several pockets where a person seeking to rent a place will find it difficult if he/she is not from that dominant community located there. Most software professionals rent apartments and houses in particular localities in Bangalore (Koramangala, Indira Nagar, Richmond Town, and possibly parts of BTM layouts) because they would find it very difficult to fit into the local culture of



advantage off (in the line of the argument made by Veena Das<sup>49</sup>) by local level conflicts playing out in these circumstances. Thus, just because there is a 'mix' of ethnic groupings there is no reason to believe the communal argument. To explore this issue in some detail, we look at an important event and issue: Local Elections.

### Local Elections

Elections in Azadnagar are events involving rigging and vote buying and at times violence. To an 'ethical' and 'law abiding' citizens, this would seem like an aberration in the democratic structure, requiring a cleansing of the election process. Such events in these types of neighbourhoods are often portrayed as being dominated by 'Mafia elements' with ordinary people having little say to exercise their will. Our reading of this situation, based on detailed interviews and also including in our team a political worker directly involved in the action (so as to say) reveals a very different picture. The most surprising thing even for us was the local political opinion that despite rigging, double voting and dummy candidates, that buying votes are any longer possible to be depended as a strategy. As one of the ex-councillor pointed out in all seriousness:

*' Booze, and gifts may have some influence on voter's choice ...but this will be minimal.... Ultimately voters decision is influenced by other factors - caste, acquaintance, work done etc.'*

Our impression too, that these extra-democratic strategies like rigging and vote buying are useful only to affect a smaller 'swing' vote rather than the bulk of the voting structure. Unlike what one would have normally expected, people are ready to discuss these issues quite openly. However, much of the discussion reveals the important role played by higher level politicians via the party structure in instigating violence and booth capturing and rigging. In the councillor's bye-election<sup>50</sup> in 1998, many of the local leaders in Valmiki Nager irrespective of their party affiliation worked for an independent candidate. The local leaders' decision to support a particular candidate in this election was influenced more by local compulsion than by their party dikats.

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other neighbourhoods. If they did not mind the 'messy' slum surroundings, they would find little trouble renting a place in Azad Nager!

<sup>49</sup> See Veena Das: 'The spatialisation of Violence: A case study of 'Communal Riots' in Kaushik Basu and Sanjay Subrahmanyam (eds.) 'Unravelling the nation' (Penguin Books India 1996) for a discussion of communal politics in Delhi, and about the Bombay riots. There are interesting parallels between strategies employed by these groups and say Indian students in US universities in the early eighties. Coming from a relatively middle income background (and definitely poor as compared to other ethnic students) they went abroad mostly on merit scholarships. In the US, there were few or no institutional support systems (unlike the SouthEast Asians sponsored by their countries or corporations). Thus, the only option was the very tight student labour markets within the university complex. The main strategy used was that of ethnic connections to gain jobs and sub-jobs to get a foothold into the system. This, interestingly enough, cut across 'border divides' of Indian and Pakistanis, Nepal, or Bangla Desh. In contrast in the mid nineties onwards (after the liberalisation of Indian economy) a very different class of Indian students from super rich families both in India and abroad now study abroad. Much richer than even their American counter parts, there is little need for them to slave away on low paying jobs to stabilise their incomes. Interestingly enough, the ethnic connections still stay -- but on ritualistic and often shaped by 'fundamentalist' ideology. Unlike earlier times, these are rift with fractures not only between borders like the Indian students 'bombing' the web sites of the Pakistani and vice versa, and even between Indian and those from Nepal, but also fractures within different ethnic groupings from India. This issue is mentioned as it suggests the important role of economic linkages in shaping particular types of ethnic structures and its politics. Another interesting parallel is in the Bangalore yuppies from its IT industry. Coming from fairly conservative Hindu families, they are suddenly thrown in super high paying corporate worlds, laced by strong individualism, and with its dress and behaviour 'codes'. The interesting thing here, since most of them spend late nights 'surfing' is to visit web-sites frequented by them: [www.indya.com](http://www.indya.com); [www.tamilmatrimony.com](http://www.tamilmatrimony.com); [www.sify.com](http://www.sify.com); [www.rediff.com](http://www.rediff.com) to get a vivid sense of the complex contradictions that accompany such changes. Note in particular the advise, the conservative stand (in cases of husband -wife conflicts, or troubles by a male boss, solve the problem by please the husband or the boss!) and issues raised in the 'personnel columns'. In contrast to this, our field research has paradoxically shown far more sophistication in these politicised areas.

<sup>50</sup> A by-election is declared when a candidate dies or is incapacitated. In this case, the BJP candidate was supposedly murdered by his political opponent.

Ghousie, a local leader affiliated to the Congress party, told us about his active role in canvassing against the official party candidate. Other local workers did this too. The Congress candidate, a member of the Gowda caste, lived in the upper income residential layout in the same ward. Rame Gowda, the two-time councillor, could not contest the election because of a 'legal case' pending against him. In our interviews with many residents of Valmikinagar, we got a similar message that the official Congress party candidate was not suitable. They preferred the independent candidate as a better bet to get investments into their area. One reason for this was that the independent candidate was living in a 'slum' like area similar to theirs. Ghousie narrated his role in the bye-elections of 1998:

**Box 12: Dressing up elections**

*'We wanted the independent candidate Sr to win. My gang and I worked for him day and night. S's only strong opponent was Rame Gowda but his own party MLA So had split his votes. We were sure that Janata Dal would not win. We also did not want the Congress candidate B.Sr to win. On the day of elections, My gang caught holds of the 15-year-olds in the settlement and dressed them in purdah and asked them to vote for all the absentee votes. It is not that the opposition party do not know it ... they also did it. All the parties have an understanding on this. If the booth officer refuses, we will threaten him all together and he cannot do any thing. We also managed to send the gutsy residents among our circle to vote for a second or third time.....Not only us the leaders, but also the area residents worked for Sardar.....Somehow, Sr won....I was dismissed for some time from the party but given the local situation, the party needs me more than I do of them. They will take me back within a few days.*

Popularly among the middle and high-income groups, election rigging seemed an esoteric activity requiring great political suave. On the contrary, election rigging is common knowledge. The residents seem to be part of the entire game plan. As another resident commented:

*'We wanted Sardar for he lived in Valmikinagar.... in the same filth as us...His own interest would push him to do something for the area...Srinivas lives in the layout ... does not even have any contact with us. How can we approach him in times of troubles ... we decided to co-operate with Ghousie and his gang. After winning the election Srinivas has not even come here. He knew that we all supported Sardar... hence now he is trying to pour all the facilities to Bande squatter settlement'*

In our interlude with the local leaders, interestingly, we observed that rigging is not an activity dominated by one powerful party. All the parties, their leaders and followers are part of this game. Often our conversation with their group would end up in a debate as to where the rigging went wrong! Each party and its local leaders have their own valour stories of rigging and how they hoodwinked the other party members. Rigging is one of the mechanisms used by leaders in Valmiki Nager to shape outcomes to their advantage. There are other strategies used. Fielding dummy candidates, procuring symbols similar to confuse the voters are all part of the deal. Sardar's candidacy was feared by a section of residents in the area. Some Hindu groups felt that Sardar is likely to be biased towards Muslims. Sardar had apparently resisted the construction of SC/ST hostel in the area, arguing that it would be harmful to Muslim girls. Some groups view this as a deliberate act to divide the community along religious lines. We return to our account of the 1998 bye-elections. As one of the contestants stated:

**Box 13: Only 3 votes for 3000 subverted!**

*'...When Sardar's popularity was at its height, the opposition parties tried to balance the wave, by fielding their own candidate. The Janata Dal one of the main parties fielded me as an independent candidate to contest in the elections against Sardar. This initiated a process and competition to acquire symbols and followed by threats and counter threats to life. I was got in to form a dummy candidate against Sardar and to do this put in my application for his symbol earlier than his. There was another (dummy) candidate before me in the list of applicants who had also applied for the same symbol. In this conflict great pressure was brought on us. Sardar's gang were all there in the room and the first guy took back his application but some how, I stuck on despite the delay of our gang reaching the room to protect me from theirs. After that, I went underground for three days till my boss could arrange for my protection. ... Another event happened on the election day itself. We knew that they being Muslims would send up people dressed as women in Burkhas. So we decided to lengthen the process of genuine*

*voting for as long as possible*<sup>51</sup>. We at the polling booth got the officer in charge to question each candidate. Each voter was asked about where he or she lived, the names of their brothers and sisters, parents. This helped to scare Sardar's group and reduced his people who would otherwise attempted to do multiple voting. At one time, we caught a person impersonating someone else and our leader the ex-councillor (a big fierce looking person with a booming voice) shouted and immediately called for the police officer. This also led to a commotion and delay (which we intended). All these events, the application for the symbol, and us successfully delaying them sending the bogus voters meant that while I got only 3 votes as a dummy candidate, I helped to prevent 3000 bogus votes. Sardar lost the by-elections..'

The various strategies of rigging, dummy candidates, symbol fights that dominate Valmikinagar elections need to be reviewed in the context of several things. One factor, which reinforces is 'middle class' or elite of such practices is that they never seem to happen in the more civilised Master Planned areas. This is obvious because the voting percentage from these areas is abysmally low. Though there are no figures, local politicians say that less than 20% of the richer groups vote. In contrast, in a slum, at times 75 to 80% of the voters turn up. In any case, having more land, their parts of neighbourhoods are all spread out and in a ward, it is politically prudent to concentrate where the people are. Since the elite has access to the State system and the police, their areas are well policed. Thus, it is hardly surprising to see voting day in a rich neighbourhood being a subdued occasion.

The second point relates to the background of the larger party structure within which small power players of places like Ghousie have to operate. Except for experienced and older councillors like Rame Gowda, other potential candidates do not wield much power in the party system. Most benefits to this neighbourhood have come from the under-currents of the municipalised system rather than explicit party based interventions. The larger party system centred on large-scale surplus generation, find economies of the type of Valmiki Nager relatively unproductive for the nature of effort to put in to institute political control<sup>52</sup>. Thus, in a sense having a powerful MLA to represent them at the party level but a wider and democratic range of local level leaders kept alert is useful as a political strategy. In any case, the party system provides little space for local level aspirations and opinions, and the 'fair and free' election popularly advocated does not have much relevance for Wards like Azad Nager. Given this perspective, it is hardly surprising that political candidates and their constituencies openly collude in 'dirty politics'. It is a game, which is an open secret in the way it is played. This is also important to note that even with the strategies of rigging and false candidates, these are essentially to capture the swing vote – in this case. Residents feel (and we do to) that irrespective of who come in,

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<sup>51</sup> The system here is of sending people to impersonate others usually happens most intensively towards the closing of the day. The 'genuine' workers vote early.

<sup>52</sup> As is discussed in the concluding chapter, the party structure in Karnataka in general is more fractured than other states like Kerala, Tamil Nadu, and West Bengal. Bangalore in particular, has a very fractured cadre system where people can easily buy multiple membership in various parties to attempt to gain benefits -- essentially because parties too (the Cong. In particular) have promoted a political base centred on access to govt. 'poverty' schemes to their youth workers in return for compliance. The benefits of these schemes is not towards stable employment but rather surpluses born out of well established system of leakage. See Atul Kohli ...

they will be subject to the same range of pressures from various party workers and local leaders and be forced to take quite similar stands on basic issues of land regularisation and the like.

The third point is about the exact nature of 'communal politics'. One view is that Wards like Azad Nager with different ethnic groups especially the poor (involved in marginal economies of small manufacturing and services) provide a favourable 'breeding ground' for communal politics. This in a sense forms a justification for the 'State' to intervene to rectify this situation. A close look at the local economic and political structure suggests otherwise. First, the local economies in Azadnagar (as we suggested in the first section) are quite vibrant and foster complex inter-linkages, across religious and income lines. While it is true that the complex mixes of Hindu, Muslim form an uneasy melting pot spurring its divides, the reciprocal economic and political relationships make it difficult for any community to remain insular.

Our hypothesis is also based on the following observation of events in the ward: Firstly, municipal elections that generate much excitement and tension do not seem to be affected that significantly by communal issues. The political agendas as stated earlier centre around land regularisation and infrastructure access. When we confronted with this point one of the ex-councillors, mentioned that while it is true that caste and religious bias is deeply entrenched in Indian psyche, it is not enough to influence the voters ultimately. He did mention that on the other hand, different local groups draw on such local events to settle their individual differences.

Second, the major incident that marks the communal 'spark' of this area were the Urdu - Kannada riots in 1994. The residents of both the communities claim that more than localities, it was the outsiders who moved into the ward and looted properties of both Hindus and Muslims. These events also build up support for party politics who use such events to make political statements or distribute 'compensation'. Although in recent elections, Hindu - Muslim divides are stressed, local people claim that there is really no inherent problem between them. Initially we thought that this was merely a polite claim but on probing the issues deeper, we tend to feel that this indeed is accurate. This is also because of the complicated and 'contradictory' political affiliations of groups. These are often difficult to predict. One of the active BJP leaders for example, Azgar is a prominent member of the Muslim community. Although politicians tend to use religion and caste for vote mobilisation, the community is hardly naive about this strategy. While we are not denying religious or caste influences in elections,

we argue is that eventually such political strategies are difficult to sustain and be used to bypass fundamental issues that affect people's lives.

The residents are equally adept in distancing themselves from such politics as it directly hits their economies. We turn back to the case of Sardar and Ghousie here. Local residents clearly saw Sardar's strategies of using the SC/ST hostel as an issue as one of splitting the population as being negative. They argue that even in the last by-election Sardar tried to use communal cards for wooing Muslim voters. They argue that even though Azad Nager has a large Muslim majority, Sardar was not able to win the election. Apparently he has contested four times, but still not won. According to one of the local leaders, Sardar being the mosque president uses communal tool to woo Muslim voters. The local Muslims also feel, that as the mosque president, he has not any substantive work for the Muslims, and is seen to purchase people with his money. Ghousie who actively supported Sardar in the last election, has already distanced himself from Sardar. In December 1998, when we first met him for data collection for Phase One of this project, he was an ardent supported of Sardar. During the Second Phase data collection, when the team met him, he had a completely opposite view of Sardar and his communal based politics. Ghousie's reaction reminds one of the shifting political alliances spurred off in places like Azad Nager influenced by complex individual political aspirations and the political economy within which they have to operate.

Our argument here is not that politicians at election time do not use strategies like buying votes, distributing liquor. These are definitely used and it is a fact that a very important role is played by liquor lobbies at these times. Our point is that these types of political strategies find less space in dealing with areas like Azad Nager. The local economic and political structure there require politicians to be more agile and also more responsive on real issues. It is useful to look more closely at this situation.

One could argue that the dialectical relationship between the different political actors emerging from party politics compels them to open up several avenues to access their voters. The different leaders face competition from several quarters, horizontally from other party members, vertically from the higher-ups in the party system and from those below them. For example, local leaders are in intense competition with each other for maintaining their status quo. The political status / support is important for them to generate a surplus from their economic activities. Three of the local leaders we met for this study were involved in different aspects of waste recycling activities and in automobile parts business.

Without their political status, they would find it difficult in their day to day dealings with the institutions, and their clients in the ward. The leaders are also facing competition with the new groups seeking to establish a foothold in the ward. This is especially important, as in many instances, new settlers moved in as a group. This provides the latter enough clout and 'numerical strength' to deal with the councillor directly. The point here is that if in South Bangalore, one needs a vote bank of 1000 to be recognised as a 'vote bank', the intense and complicated circuitry of Azad Nager reduces this number many fold.

What is particularly important for local leaders in developing their own political identity are their connections at the lower level bureaucracy. For a councillor, this is a potential parallel circuit, which he/she has to be alert about. While having a resourceful local leader is useful if he can gain the credit, this itself can become a serious threat. More important, the local public also realises this very well. Similarly the existence of several local leaders make it difficult for councillor to impose their will using their institutional power. In the interview with an ex-councillor, the latter expressed his desire to remove all 'encroachments' along the main road of the neighbourhood. In that particular road, the auto workshop extended their workspace and parking their vehicles on this road. The councillor said this since he had wanted to the workshops to be removed and provide facilities for SC group – the latter his main vote banks. When we raised this issue with two of the local leaders they pointed out:

*..All the parties have a representative from the different religion... It would be impossible for any councillor to act against their wishes...Even if they order for an institutional intervention we leaders will not allow it, for we are the ones in direct contact with the voters..*

For instance, according to Ganesh and Imitiaz, when the BJP councillor was elected to the office, he had ordered to remove encroachment in the area.

*..The BCC officials came to the area, to remove the small hotels on grounds of health. All of us ghearoed (to physically crowd and circle giving little space for the person or group to move out) the official and told him that it was he who was at fault in not regularising the shops. We told him, 'give us licence, we will pay but you have no right to remove the shops'. While leaders may compete on such issues they come together as very often it directly affect their economic interests..*

The local leaders for example aspire to move up the political ladder as it also improves the expansion of their economic activities. We turn to the case of Ghouseie, a local leader affiliated to Congress party. Ganesh and Imitiaz have been working regularly for Janata Dal party. Given his status in the ward, Ghouseie hopes to get a election ticket from any one of the parties. To do this, a 'message was sent' to the political higher-ups. In the last councillor election, Ghouseie apparently promoted women's association in the area, to garner their support. With Ghouseie trying to consolidate their territory, the

Congress party's official councillors voting block was effectively curtailed. A similar dynamic is played out between the councillors and the MLAs within the same party. The councillors are wary of local leaders trying to find space to move up the party system. Similarly there are Ghouse's peers affiliated to other parties and the pressure from MLA of his own party that try to gain more control over local issues. A MLA on the other hand, faces competition from the councillors, and other party candidates.

A leader is thus compelled to constantly respond to local needs to expanding his/her political territory. This multi-directional pressure to which a leader is exposed to in the ward is another important reason for their attempt to tightly control on the different voting groups. The situation is the same for the councillors and the MLAs. Similarly while the councillors are exposed to competition horizontally from other councillors, they also face pressure vertically: The MLA in trying to move up the party system, and from the local leaders below them. There is also the hierarchy within the mainstream party structure, wherein the councillors wield less power than a MLA. Again all those competing for the councillor's post do not wield the same level of influence in their respective party structure. Thus, in attempting to 'capture' and control diverse voting groups, different political actors enter into an intense competition generating a chaotic and flurry of activities at the local level. In such a political arena, every vote including the poor is a priced one for the political contestants. The poorer and 'minority' groups understand very well their ability to swing the elections one way or the other. They are also keenly aware (unlike again the popular notion of buying them with some alcohol) of the structural problems afflicting their areas (usually land related) and who has done what for that<sup>53</sup>. We refer again to the case of Bande Squatter Settlement (Box 14).

#### ***Box 14: Naïve Squatters?***

*In the by-election of 1998, 60 families from Bande slum occupied the vacant area in the ward -- a low-lying area. The Bande slum and the squatter settlement abutting the free sites had evolved with the support of the elected representatives at different levels. However, as part of the legalisation process took help from the local MLA. In fact, even in the election previous to that, members from both communities squatted in the same ward with the support of the MLA. There was a larger picture at play, which the squatters used to their advantage. They knew that an important political opportunity was an emerging conflict between the councillor and the MLA. The latter was trying to get a direct foothold in their ward since the councillor Rame Gowda was seen as a potential threat to the MLA. Both were (at*

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<sup>53</sup> In this context, it seems rather foolish when some upper middle income formed civic groups talk about educating the poorer groups about election practices and 'ethics'. Our fieldwork time and again demonstrated the sharp and deeply entrenched political awareness. Not surprisingly, as we shall discuss in the concluding section of this report, political awareness creation as preached revolves around bringing a very middle class notion of transparency and good governance that actually destroy and erode the politico-institutional settings which poor groups use to make the system respond to their needs.

*that time) in Janata Dal party. Rame Gowda as an efficient councillor was fast consolidating a strong base in the private layouts, and across caste and religion. This demand for land regularisation as an event was important for the MLA since much of the problems affecting the private layout residents fell within the municipality's jurisdiction -- and thus within Rame Gowda's 'political territory'. While this made it difficult for the MLA to intervene and covert their votes, the land issue (being a State Government subject) allowed him to take charge and gather the squatter votes on this count. Incidentally, the MLA mentioned here is recognised as one of the most important and powerful figures in Bangalore and also State level politics.*

Thus, contrary to popular middle class / income perceptions, vote bank compulsions are very complicated, but allow poor groups to penetrate, consolidate, manipulate, and expand their political space over time.

Despite what we have portrayed here, poor groups and their middle income representatives have to compete with other powerful economic and political interests in the city. The power between the different hierarchical actors – the leader, councillor and MLA is more complicated (if not balanced to an extent) by vote bank politics. Still, it is possible for higher level political agents and economic interests to use 'party structure' as well as 'planning regulations' to intervene in ways contrary to the interests of poor groups.

In mobilising the votes, the political leaders at different levels sought to access voting groups in different ways. To safeguard their own territory local leaders for example have evolved a tight structure in restricting a councillor's access to the different voting groups. In doing so, they combine strategies of force and goodwill.

### **Box 15: Generating Vote banks**

*A key strategy of the local leaders in mobilising votes is taking an active role in resolving institutional issues and family conflicts. The first one largely pertains to the conflicts over easement rights. Many residents when consolidating their houses, and because of the small sized plot, often try and utilise the entire plot area. According to the leaders, the small plot sizes make it un-viable to follow municipality rules. Thus, there are often overlaps of territory leading to conflicts. These conflicts may sometime take a violent turn, involving police cases. During the time, of our interview with one of the leaders, Imitiaz, Ganesh another leader from the same area sought Imitiaz help in resolving the problem of his supporters. G's follower Mr. X was consolidating his house -- changing the roof from a tile one to one made by RCC. The problem arose between X and his neighbour over easement rights. Rather than seek resolution via the local leaders, the neighbour directly complained to the BCC. As a result, officials from the lower level bureaucracy came and to stop the building construction. Imitiaz has extensive contacts with the lower level officials but did not want to get involved directly. Both the leaders advised X to file a complaint with a police station and in parallel told him that they would deal with the officials informally. The case got complicated and X was advised that he should claim that the neighbour had threatened him. With the police suggesting a criminal case, the neighbour then approached Imitiaz to help resolve the issue. This was then sorted out according to the site conditions in reasonable fairness to both: Providing access and also allowing X to upgrade his house. The resolution also helped to send a*



*message to both the parties but also to the surrounding residents. In another settlement in the western ward, we witnessed a local leader playing a key role in resolving marriage or property disputes among his community members. One of the leaders Ganesh commented, 'How do you think we collect votes for the councillor? It is through earning the goodwill of the community by resolving their personal and institutional conflicts*

A strategic intervention and favourable resolution in such cases generates a goodwill with the larger community. Imitiiaz commented:

*..Such favours, obligate the person to extend support to their leaders in times of election and also mobilise votes on his behalf. A favourable resolution of the case will not affect only the concerned parties, but also their relations would be indebted to me. It is this kind of goodwill that enabled us collect votes for Rame Gowda (the ex-councillor)...*

The local leaders also used associations for consolidating their status. For higher level institutional issues related to investments, regularisation and land access the poor groups seek the support of councillor and the MLA. The public resolution of the issue is critically important for the votes. This also helps to ensure that the political motivation is understood, the decision of the leader must be fair to the parties in conflict and specifically the public. We have come across several occasions where councillors have put in some of their own money to help a person in immediate need. There are several cases where a family with a pregnant woman or someone very sick will call on the councillor late at night to seek help. The councillor is obliged to locate transport, pay for the immediate expenses, which the family may or may not reimburse. Everyone knows that such events obviously have political mileage. On the other hand, it is seen as an obligation for a leader to take on this role. Such day to day events is important since as an ex-councillor puts it 'public memory is too short'.

Thus, an important feature of the political structure is that the different local leaders, councillor candidates and MLAs have to be agile and visible. Canvassing is thus an ongoing process. This is especially in tough un-predictable places like Valmiki Nager. One critically important and highly visible actions relate to helping people with the public bureaucracy. 'Good' councillors are known by the way they can help with procedures, loop holes, reduce what is seen as 'un-just' corruption. This is different and apart from their ability to attract development funds for their wards. Thus, councillors maintain their institutional contacts to win new votes and to retain their old constituencies. Most of them having coming up the political ladder from being a grass root worker, their contacts with lower level bureaucracy is still intact.

#### ***Box 16: Councillors 'round'***

*The ex-councillor Rame Gowda's , daily routine continues to be a visit in his area. This process is common to most councillor and called as the 'councillors' round'. Here, walking around his constituency, the councillor collects complaints from the different residents. Irrespective of his political*

*status today, he draws on his earlier contacts and status within the party as an 'old experienced efficient politician' for resolving the problem of his constituencies. It is here the new groups and poorest groups find opportunities to establish their claims. The direct and often daily contact with the councillor in Valmiki Nager enabled Devangas to establish a foothold in the local politics. Similarly, the successive councillors are forced to respond to the specific needs of squatter settlers in the area. In fact, some councillors often relaxed the official rules to enable different poor groups to access services like a Ration shop. For example, the Bande slum has an equal number of Muslims and Hindus. Because the Muslims are not covered by official schemes, the councillor advised them to fill their names as Hindus and access free electricity. Land access involving the support of elected representatives becomes the common strategy for the different level of politicians. The land agenda in the private layouts largely related to regularisation falls within the jurisdiction of municipality and this gives the councillors an upper hand.*

Thus Councillors via their bureaucratic contact open up spaces for poor groups, who are otherwise constrained to establish claims within existing regulations. The ability of local leaders and councillors to subvert regressive institutional process is also reinforced by the process of political evolution. Most councillors moved up the system from being a grass root worker. The hierarchical structure allowed for local level political workers to move up to become councillors or MLAs. The ex-councillor Rame Gowda started his career as a grassroots worker. This gives them at one level strong contact with the lower and mid level bureaucracy. This is very important for acquiring knowledge on institutional procedures and also the intricacies of local history especially that of land. Secondly, Azad Nager, being one of the oldest wards in the city, the municipal institutional environment played a significant role in its formative stages. The ward was included into the corporation territory in 1952, much before the BDA was formed. The lack of para-statal, like the BDA, reinforced the operational powers of the corporations. Also, politics was centred more around individual constituencies rather than central level party interests. Thus, much of the ward development was 'municipalised' via the operational powers of councillor cutting across the party lines. Being 'municipalised' also means manoeuvring the municipal system to be responsive to local needs. Such manoeuvring builds in a very rooted learning of procedures and an intimate knowledge of official practices. It is here the contacts of councillors with the lower and mid levels of bureaucracy becomes important.

In this particular case, Rame Gowda's and other councillor's clout in the party system also enabled them to access important institutional positions. For example most councillors being experienced politicians in the municipality have ended up heading key committees such as finance. This structuring helps to ensure that the budget is spread across the different layouts in the ward. This is also critically important to address settlements with a tough land situation. This is because Land is a 'State' and not a 'local government' issue. Despite this, councillors via the municipal system, use procedural loopholes to bring in basic needs like drinking water, deal with flooding of low lying areas, single point

electricity lines. An example of this is Bande Slum in Azad Nager ward due to its fragile land status was not be eligible under normal budgetary process for any civic investment. The councillors under political pressure and need to build their constituencies, used their administrative knowledge, especially at the lower level of bureaucracies, to bring in the substantial upgrading mentioned earlier. In the course of our fieldwork we came across several other cases like this<sup>54</sup>. We will return to this issue in a discussion on concepts in Section 4B (Politics by Stealth). All this suggests that contrary to the conventional portrayal of councillors, as an inept, corrupt and short-sighted politicians, some of the most pro-poor ‘policy’ decisions, interventions and investments have happened via councillors in a process that is commonly described as ‘sleaze’. It is significant that the intense political environment probably explains for the thin and nebulous presence of NGOs in Valmikinagar<sup>55</sup>. We will return to this issue in a discussion on concepts in Section 4B (Politics by Stealth). For the present, we would like to argue that this positivist role do not come about with a few politicians being ‘morally virtuous’ or ‘educated’<sup>56</sup>, but rather they are pushed by political compulsions from below. We attempt to explore this theme in the text below. We will argue that the intense competition between political actors has also contributed to a system that forms a system of local regulations focused on political behaviour.

### 3.2 Local Regulatory Structures

A common strategy adopted by different political actors is to control the access of their competitors to potential voters. The leaders maintain close contact with the local residents via the street leaders. In most of Azad Nager, each street has a loose representational system of leader who serves as a way to communicate issues concerning that particular street. These leaders are not necessarily connected to only one party or a political leader. All this also depends upon the individuality of the leader and the group dynamics of the residents in that street. Some are better organised than others. Despite these contextual issues, the fact remains that there is a system of decentralised representation down to the street level. Residents approach street leaders for a particular issue who pass it on to the local party workers in the area working under the councillor. In parallel, leaders also try to solve the problem at their own level via their contact with the lower level bureaucracy. They do this by drawing on their ethnic, occupational, class connections. Only if the issue involves higher level bureaucracy or party issues,

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<sup>54</sup> One such case is mentioned in the Case Study of Mahadevpura (Section 3D). There, both a squatter and revenue layout were upgraded with a complete range of services despite have the most minimal form of legal recognition.

<sup>55</sup> Soon after the communal riots in 1994, an NGO started to work on communal issues. Another NGO sought to work with squatter dwellers in providing legal information for land regularisation. The NGO claims that their activities are limited to providing information and not many squatters are aware of these groups except for few leaders. At the time of this field study, another NGO was running a school aiming mainly at child labour education and adult education. While the last activity would have some relevant, one can visualise on the basis of our discussion why the first two have not had any real impact with the community.

<sup>56</sup> We mention this since a common refrain in the press and also by academics in seminars complain about the ‘rot’ in the political system and how ‘educating’ the politicians and voting those in with ‘clean’ records (read criminal) will help to improve the system. We feel that this Victorian perception stems from ignorance but also from witnessing on a day to day basis, how the slums and *riffraff* (as the poor are called) seek the support of politicians and subvert the ‘planned character’ of cities. About being ‘criminals’ almost all activists who are involved in any matter of some seriousness would have at least a couple of criminal cases filed against them. In some cases, merely protesting can attract wide spread non-bailable court cases to a large number of people in one go. For example, fishing families in Managlore protesting against a mega-project were slapped with cases in an attempt to stifle them.

would leader contact the councillors. This means that local groups are also obligated to the local leaders, who also attempt to develop a parallel system more decentralised than the councillor. As one of the councillor commented the voters loyalties to local leaders are also reinforced via ethnic and occupational linkages.

All this is obviously competition to the councillors but they also depend on the local leaders to ensure votes. Thus, there is a complex game being played out where leaders form an important group to pressurise councillors to establish services to the area. Local leaders claim that such control over vote banks enabled them to pressurise the local councillors for quick and regular investments in their respective area. Our observation in these neighbourhoods (in contrast to other neighbourhoods which do not have such a structuring – those in South Bangalore) show that this is most likely to be true. By and large, the general public in Azad Nager that we spoke to did not complain about the basic facilities. Most complaints generally were related to ineffective waste management and theft of drainage covers etc., The pattern of investments in the different layouts is another indicator. In the same vein, control over the MLA allowed councillors to bargain for more funds for their area. Also on issues where the State intervenes or there are State Government controlled schemes, councillors find it easier to pressurise the MLAs under this system to get the MLAs to allot additional funds to respond to local needs<sup>57</sup>. For higher level politicians, these structuring of local level power make neighbourhoods in wards like Azad Nager are particularly difficult political territories. Establishing ‘vote banks’ are complicated since there are so many claimants in the system and at varied levels.

The flexible political situation compels thus councillors and MLA to evolve counter strategies to have grassroots contacts to retain their voting base. Alongside their efforts of creating their local base, higher level politicians are also constantly looking for local events that will allow them to ‘check’ the influence of those below them and also bring new voting groups into their fold. This affects the way the local political regulatory structure works – affecting the bargaining capacity of poor groups. During our field work, we witnessed a conflict between a local leader and poor old single woman which illustrates the complexity of the issue:

*The local leader - a Muslim, Imitiaz had rented out his tiled roof building to two Hindu brothers. One of these brothers used to also rent the autorickshaw from Imitiaz. After the death of the first brother, his widow continued to stay in the same house for a low rent – which was way below the market rent. After a year or so, Imitiaz decided to upgrade his house and give it for higher rents to a Government employee working as a peon. In order to vacate the tenants, he offered them a lumpsum amount as compensation as is the convention. The autorickshaw driver was affected by the location, and was*

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<sup>57</sup> This is evident in the MLA/ MP fund scheme. In discussion with researcher from the PAC on this issue, it was interesting that they mentioned that in almost all cases at the neighbourhood level, residents thought that the money used for development works came from the councillors and not the MP or MLA. Thus credit for works undertaken were very much at the councillor level rather than being seen as an MP or MLA fund.

*willing to move out. He took this amount and invested it in land on the outskirts of Bangalore. According to Imitiaz, it took him nearly a year for vacating the old women. Imitiaz claimed, 'the old women is known for his fighting in the area. Being a women and old, I did not want to throw her things onto the street'. When asked about how he eventually vacated the old woman and as to where she had gone, the conversation got fudged. He kept insisting, 'I paid her and sent away'. However the old women refused to move out of the house.*

The above case highlight several issues. First, Imitiaz, despite his power, could not afford to throw out the women by force. He had to enter into some form of negotiation with her and had to compensate her for her need to locate to another place. If this same situation was in a South Bangalore squatter settlement, it is most likely that tenants of a powerful local politicians would move out at the slightest hint of the land lord wanting the premises back. Here again we stress the possibility for poorest groups to resist political and institutional pressures in a 'unplanned environment' like Valmikinagar vis-à-vis a planned area. The poorest groups draw their strength from several 'floating' leaders, in search of new territories in the arena. It is possible for them to get latched to one of them for resisting Imitiaz. Similarly, the councillors from other local political leaders are constantly on the look out for events such as this that will allow them to destabilise a local leader's position. The second is the diversity of factors dividing the community. This issue could take on a communal tone. A Muslim leader evicting Hindu old women, is an easy target for Imitiaz's opponents. Any such local events generate sensation drawing not only higher level actors such as the councillors residing in his ward but also external actors. This can potentially affect the political base of leaders like Imitiaz. The third are the reciprocal economic and political obligations that influence decisions of local leaders. Market pressures, though high in Valmikinagar, complex ethnic, and occupational interdependency bind Imitiaz. His actions in this case would also affect his dealing with other groups – in terms of the message he gives them since he is also an autolord and also a financier.

The grassroots evolution of most councillors and MLAs serves as an important factor in allowing for the evolution of a particular pattern of municipal structure. It has allowed for a relatively 'accessible' institutional space for these alliances to be played out with relative 'local transparency'. Most councillor contestants are experienced political workers with several layers of contact with municipality. The ease of institutional access at different levels, information access, and contacts cutting across party lines, the fluid party affiliation, has generated a 'transparency' of institutional matters at the local level<sup>58</sup>. But all this requires a constant contact with the community. Rame Gowda, although not a councillor at the time of the study, had a daily routine that included visits to the different layouts within the ward and also to the corporation to follow up on local grievances among other things. From his early days as a grassroots political worker, he maintained contact with the then finance committee chairman - whose help he sought to resolve his area issues. Such close contacts within the municipal system are critically important to collect information about budgetary allocation and to monitor the use of allotted funds by the official candidate and the bureaucracy. Here, it is important to note that

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<sup>58</sup> This situation is again in sharp contrast to Master Planned areas where upper income citizens have almost no contacts with councillors and view the corporation bureaucracy as a sort of black box filled with uncouth politicians.

his contacts cut across party line. Political strategies involve applying pressure on the official councillor via his own party and also opposition councillors. Keeping tabs open across parties is also important for political mobility. The MLA of Azad Nager, one of the most powerful of Bangalore and high up in the State level politics, recently shifted parties taking with him several political workers. Thus, even if one is from one party, the opposition maintains feelers to respond to such opportunities. The wards of West and North Bangalore, including Azad Nager are known to have been the location where many state level politicians have moved up the political ladder by consolidating their local political base. Local groups too are thus fairly well consolidated into these political mechanisms and are highly politicised. Thus, residents and local leaders know that their vote is of much more systemic importance in this larger institutional setting.

The point here is not to portray a clean corruption free system of local governance, but to emphasise the importance of diversity in political structure that forces elected representatives to respond to local situation and also to limit their corrupt practices. The point is to underline the contrasting situation that exists in a neatly organised planned settings, with its de-politicised yet legally bound civil society, and a political structure dominated by state level politicians. For example, a planned setting in South Bangalore discussed in section 3C, poor groups virtually have no space for making claims. Often in evicting the settlements occupied by poor groups and their economies, the State as well as private interests take cover under the maze of institutional rules. These are further supported via courts. The spate of demolitions undertaken by the Bangalore Development Authority described in Section 3C of this chapter illustrates the inability of poor groups to resist institutional interventions affecting their interests when they are pitched at a level where they have little access. As we shall see in the subsequent sections on Mahadevpura and South Bangalore, planning instruments such as demolitions, compulsory acquisitions, mega city projects are conveniently used to facilitate the development of a more corporatised settings. Here we wish to stress that 'legal claims' is a social construct. In situations, where societal processes are skewed in favour of rich and the powerful, the kind of local politics seen in Azad Nager provides one of the few ways local groups can survive and protect their economic opportunities.

While we have been very positive about neighbourhoods like Valmiki Nager, we also recognise that the intensive politicisation of the local claiming environment implies that less-experienced poor groups would find it very difficult. We shall be discussing this issue in the next section (Section 3B). We will argue that for new migrants and other poor groups, the entry point into the urban system is in the centre market areas which provide easier political access but relatively limited options for upward mobility. However, with political learning of being in the city and some economic surpluses, it is not surprising that these groups move to neighbourhoods like Valmiki Nager. But the issue is a complicated one due to the complexities of urban growth. This neighbourhood's intense local economy is changing rapidly

to include a wider range of processing activities. In parallel, there are also a greater variety of political alliances. As a 'push' factor, the central city areas – largely by the State government's urban planning and renewal interventions are becoming more and more difficult for poor groups. Also, poorer groups, including migrants, are highly urbanised in their political strategies. All this means that the moves to areas like Valmiki Nager are sooner than probably what they used to be. If not to Valmiki Nager, they are certainly more likely to settle first in other less political environments like Yashwantpur with an easier entry into both land and economic settings -- although its local economy is not as vibrant as Valmiki Nager.

In conclusion, we have shown how complicated the local economic and political setting is of neighbourhoods in Azadnagar, one of the wards with the highest concentration of poor groups in the city. One of the dominant themes that emerged is the importance of diversity of options in economies, land tenure systems and local political structure for different poor groups to survive, stabilise and move up the ladder. As we saw in the section on local economies, Azadnagar's upward spiral of several localisation and urbanisation economies offers many employment opportunities for poor groups. The diversity of employment options is critical for the following reasons:

- First it generates employment for different poor groups with varying skills.
- Second, it allows poor groups to acquire skills and multiple employment for surplus generation and further investment to move up.
- Third, it acts as a cushion for poor groups in terms of crises.
- Fourth it generated a robust and diverse financial circuits that draw from several local, national and some times international circuits for mobilising investments for further growth.

Another observation was on the dialectical relationships spurred on by the different economies – in parallel to this ward's increasing ethnic plurality. Different ethnic groups that moved in bring with them varying skills, labour, and capital, and each specialised in a particular aspect of an economy, influencing access to jobs and political affiliation. At one level, inter-linkages between economies spurred reciprocal relationships between different groups helping to bind them. At another level, the economic disparities within a group, and between ethnic groups created fractures but also opened up possibilities for flexible alliances across ethnic, and income groups. This dialectical tension paradoxically seems critical for poor groups claim making.

This case highlighted the centrality of land for the emergence of diverse local economies. Land played a central role in variety of ways. Firstly the diversity of land settlement options was critical for different groups with varying skills and capital access to locate in close proximity. Several factors contributed to the land diversity in Azadnagar. Some of these are location, settlement history, land ownership and land development. Azadnagar ward offers locational advantages in terms of flexibility

of its plot sizes price options and possibility of incremental investment. The different types of land settlement opened up a variety of options for housing and economic enterprises in flexible tenure terms, cost and infrastructure. Another important point is the proximity of Azadnagar to several other production clusters. This spurred on several types of urbanisation economies such as textile looms, plastic re-cycling, the auto-rickshaw industry etc. This diversification allowed different groups with varying levels of skills and capital access to settle on it.

Land development and settlement pattern contributed to a particular pattern of claim making centred on the political processes. Claims in Azadnagar are established in diverse ways, via markets and political process. Again markets rather than only centred on individual actions, related closely to the nature of local alliances. Markets centred on group processes introduced a political dimension that served to access infrastructure and enlist support for local economies. Land access to diverse ethnic groups was possible partly because of the land being owned in the initial stages by different institutions. The settlement history was critical in spurring reciprocal social and political linkages across ethnic and income groups, which further support the economic processes. This political dimension of claim making strengthens poor groups' position in the ward.

The diversity of economies, land and ethnic groups set in by dialectical relationships fuelled open-ended local political structure, characterised by diverse actors with varying power levels. This opened up multiple avenues for poor groups for claim making. The vote bank dynamics further strengthened the dialectics between the groups. The diverse actors are set in fierce competition with each other and with state level political agents. This acts to check on power equations between different actors at local level and also creates an informal regulatory system. This is important for poor groups to bargain effectively with the mainstream politicians for institutional access. The local structure allowed groups to move up the political ladder. Most councillors and local leaders started from being grassroots workers. This offers an advantage for local political workers to resist control of local events by external higher level political and economic interests. This is important for poor groups in sourcing investments favourable to them and also in resisting larger level communal and caste tensions.

In ensuring institutional access for different groups, the political actors at different levels are forced to adopt strategic, invisible, sleazy mechanisms – what we term as *Politics by Stealth* in Section 4B. This includes, a responsive lower level bureaucracy, manoeuvring of institutional procedures via political process, local newspapers to pressurise bureaucracy and at time an election by stealth.

Such a form of politics is unavoidable, and probably an organic response to the hostile institutional and societal condition under which poor groups and their representatives have to operate. Wards like Azad Nager are compelled to operate within a reality of centralised regulatory structures, bureaucracies shaped by higher level politicians and other powerful societal groups in the city. They see



neighbourhoods like Valmikinagar as an aberration in objective of making Bangalore a 'modern place' in the global system.

### **SECTION 3 B: KR Market**

Most Indian cities have a core city area, its historical city centre housing wholesale and retail trade. Bangalore has two such economic nodes of which KR Market is the most important. While KR Market is also a place for some manufacturing activity, it houses the city's major wholesale and retail market are located there. Like other core city areas, this is also where the poorest get employment and establish base in the city. Much of the civic politics for both richer and poorer groups is centred on land issues, and specifically in its location aspects. For most poor groups, economic opportunities come from very sophisticated trade circuits that underlie the local economies here. These operate at a regional and national level where centre city areas like KR Market form nerve centres. As we will discuss below, economic opportunities relate to the variety of linkages at different levels. Later, in the sub-sections on land and politics, we will show how efforts towards urban renewal have seriously threatened these economic multipliers.

#### **1. LOCAL ECONOMY**

KR Market originated as a 'market town' for surrounding villages. Overtime, this evolved into heterogeneous trading, manufacturing and service clusters that characterise the local economy. With urbanisation, manufacturing activities came to be located in this part of the city. Besides, KR market is also an important inter-city and intra-city transport node and situates several passenger and cargo transport companies. This has in turn fostered the development of different services to attract a mix of income groups. Such localisation and urbanisation economies fuelled each other and contributed to further growth in KR Market and in surrounding western wards. In this dense, yet diverse economic setting, poor groups are able to access a variety of employment opportunities. These are explained below.

#### ***Box 17: Local Economies of KR Market***

A large majority of poor groups are employed as coolies and hawkers in the market. These are of quite different types. There are the head loaders, basket carriers, cart pullers, and auto drivers. These groups are dependent on different local economy clusters in the ward: Retail and wholesale trade in household items, confectioneries, repair shops, hardware businesses, small fabricators, food businesses, jewellery shops and bamboo baskets. The vegetable and fruit retail trade was until recently, located in the 'old Market Complex' -- a prominent landmark in the city. These were recently shifted to the Kalasipalayam market, located at about 1-1.5 km from the market complex. Specialised trading clusters grew in the different localities in the market and in the surrounding wards. Jolly Mohallah, is the main trading centre for wholesale waste plastics and paper. The retail trade in grains, pulses, toys, sweets are located in the old Thargupet area adjoining the KR Market. The hardware businesses flourished in Ragipet area. Kumbarpet once known for its pottery items today has a variety of other businesses such as stationary, hardware paints plastic and fancy shops. The surrounding wards of Chickpet, Sultanpet and Cottonpet are the city's main centres for wholesale trade in silk, bangles, printing materials, stationary, and medical equipment. Cottonpet another ward bordering the KR Market has a number of small-scale weaving units.

<b><i>Types of market</i></b>	<b>Type of material handled</b>
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<i>Old Thargupet Market and Sultanpet</i>	<i>Retail markets for grains and pulses; plastic selling shops, sweets and kirana shops. Medical equipment and transport companies.</i>
<i>Old and New market Complex</i>	<i>Textile shops in cotton, wholesale silk, retail vegetable and fruits, plastic articles, slippers, and sweets.</i>
<i>SP Road</i>	<i>Iron articles</i>
<i>Ragipet</i>	<i>Hardware shops</i>
<i>Jolly Mohallah</i>	<i>Waste wholesale trade (plastics)</i>
<i>Kalasipalayam market</i>	<i>Vegetables and fruits trade</i>
<i>Kumbarpet</i>	<i>Pottery, stationery, hardware and paints plastic fancy shops and busa trade</i>
<i>BVK Iyengar road</i>	<i>Hardware shops</i>
<i>Raja Market</i>	<i>Jewellery shops and silk textile</i>
<i>Gundappa street</i>	<i>Buckets, iron articles, retail shops in textile, food articles etc.,</i>
<i>Nagarathpet/Upparpet</i>	<i>Steel shops, textile, fancy shops and liquor (maj-nis) Electrical goods and leather</i>
<i>Avenue road</i>	<i>Cosmetics, books, electrical items, clothes, hardware, jute products,</i>
<i>Chickpet</i>	<i>Textile looms, Cloth and electrical goods</i>

*These clusters provide employment for different poor groups. One type of poor group is more established and linked to specific shops for regular jobs. This kind of relationship emerges over time when traders in the different clusters encourage a regular arrangement with poor groups to load and unload their merchandise or other labour activities. The shop coolies have also got organised as an association to negotiate wages with the shopkeepers. The second group of poor is relatively new entrants with few previous contacts. As we shall shortly discuss, they use their ethnic links to find a location to sell their wares to the large floating clientele population in the market.*

*The market has a diverse and heterogeneous clientele group. These include large bulk buyers, largely traders and hotel owners from other parts of the city, to those purchase for trade in small surrounding villages and the city. The 'floating' population of new coolies such as head load carriers, basket carriers etc., normally cater to this group. While this group can enter such employment circuits quite easily, their incomes, unlike those working with the shops, fluctuate on a day to day basis.*

*Hawking evolved around the different retail and wholesale trades in the KR Market ward. The majority of hawkers sell flowers, fruits, and vegetables. Alongside them are the other hawkers selling 'cut' textile pieces, plastic items, second hand consumer goods etc. Similarly there are different types of hawkers and vendors, itinerant sellers, and hawkers who serve different income groups. The pavement hawkers in vegetable and fruit cater to middle and lower middle income groups. There are also hawkers at the lowest rung of trading who sell discarded fruits and vegetables to the poor groups.*

*Hawking itself has spurred other jobs for poor group. For example, hawkers involved in selling flower garlands employ women to tie these garlands together. These women are paid on a piece rate basis on the basis of a measurement of two stretched hands called 'mar'. There are also separate payments for different types of flowers: jasmine, kakda because these require different level of skills. Almost all this work is on a sub-contracting basis, which allows the women to work out of their homes in either their squatter settlements, or sometimes in the inner lanes of the market. Those involved in garland making earn around Rs. 40-50 per day. Similarly there is also an extensive food business catering to hawkers and other poor groups. Another important employment source is that of loaders and coolies. Vegetable hawkers in the market purchase their goods from Kalasipalayam market located at 1.5 kms away. Since they regularly need supplies, they enter into an agreement with coolies to ensure a dedicated service.*

*This relationship between the coolies and hawkers is quite well consolidated and the coolies operate with little supervision.*

*Transport services is another large employer of poor groups. This caters to both the passenger traffic and to cart heavy items across the city; such as hardware items, building materials, iron articles, vegetable loads etc. Servicing these activities also fuelled the evolution of a motor spare parts cluster. Like the coolie business, this too is differentiated to employ distinct poor groups. One type is the slow moving jutka (horse driven carriages) contrasting the 'matador' vans (modelled on the Volks-Wagon van) used for passenger and also goods. Transport services spurs a large group of coolies and brokers organised around large passenger transport companies. A number of passenger and cargo transport businesses are located in Chickpet. Facing intense competition, these companies often employ poor groups on a commission basis to locate clients: Operating as coolies they help the visitors to cart their luggage, they help them locate a bus for a particular destination and get a commission on each passenger they bring. A similar logic operates in the vegetable and fruit trade. Hawkers of vegetable and fruits (catering to the small purchasers forming the bulk of the floating population in the market) have one of the highest business turnovers in aggregate terms. Wholesalers, on the other hand, prefer to trade with bulk purchasers. However, in order to capture the retail market they depend on hawkers to reach these groups. This is by providing hawkers with materials and also access to location adjacent to their shops. Such arrangements have also been used by coolies working under and seeking support from shopkeepers, to move up and become hawkers. The intensity of people moving around these transport nodes attracts hawkers selling food items, fruits, flowers, toys, cosmetics, slippers and other consumer articles. There are also those selling groundnuts, sugar cane juice, tea stalls.*

*In addition, there are also opportunities for those with more skills. The intensive trading links between wholesale and retail trade has spurred demand for packaging of various kinds. One is the fabrication of boxes from waste wood. Another group works in making sacks. There is a third group that depends on bamboo items -- ladders and construction scaffolding. Jolly Mohallah, famous for the wholesale trade in waste plastics and paper, has a large number of coolies involved in the sorting, cleaning and packaging of the waste materials.*

*In all these economies, their economic multipliers extend far beyond the ward via a variety of subcontracting arrangements. This is most explicit in the textile services — the stitching of petticoats, handkerchiefs etc., For example people from the slums of Valmiki Nagar and as far as Banashankari in south-west Bangalore undertake such contract work. The KR Market is a complex hub of distinct but inter-related local economies where each new relationship spurs an employment niche reinforcing the economic centrality of such locations.*

The above box illustrates the importance of trading nodes like KR Market for the survival of different income groups especially the poor. Poor groups - men, women and children are attracted to the different markets due to the variety of unskilled and semi-skilled employment opportunities. As in the case of Valmikinagar, both *density* and *diversity* of economic activities are critical for generating jobs for poor groups. This is propelled by the evolution of different trading hierarchies: Wholesale and retail trade, brokerage, hawking and vending. An important aspect of KR Market is its open-ended economic structure, which allows poor groups like new migrants with minimal contacts to link up to urban economies. Such groups can find entry-level employment as coolies and hawkers relatively easily and require little investment. At this level of the economy though, there is a high fluctuation of

wages since economic opportunities depend on individual bargaining capacity. However, the KR Market is also a place of learning of how to organise, to know how the system works, and how to move up to economic positions with greater stability, better wages, and possibly to be part of the trading circuits that form the economic basis of this central city location. The case of Vijayama below provides a brief illustration.

***Box 18: Poor group's access to Market economies***

*VIJAYAMA is a migrant from Pennagaram village in Dhamapur district selling vegetables in the market. She migrated after her husband died and found no means of earning in the village. For his death ceremony she took a loan of Rs 8000. She was unable to repay the loan amount and consequently, had to mortgage 1.5 acres of her land for Rs. 8000 to repay the loan. She first came to Kalasipalayam market in Bangalore nine years ago. She initially sat near a bus stand next to a group of vendors. One of the street vendors gave her the waste vegetables. She managed to make some income with these stocks and took the help of her fellow vendors for protection from the police. After establishing herself and with the help of her fellow hawkers, she took a loan from a larger trader. She repaid this loan on a daily basis. In the initial stage, she earned Rs. ₹30₹- 50 per day. Slowly her business picked up and now she earns Rs. 100 on a daily basis. Every month she goes to village and carries Rs. 600 to Rs. 800. Her two children study in the village. She has also released the mortgage on the land by paying Rs.8,000.*

KR Market differs from other areas such as Azad Nagar and Yeshwantpur where a new entrant needs an introduction of a relative to get a job. To understand this more clearly, it is useful to highlight a key aspect of the economic vitality of such core city areas. These centre on the issue of location, which has several aspects: First, poor groups in highly intense economic areas like the KR Market find it easier to get involved in multiple jobs and also shift across different economies. As we had shown in the case of Shanker in Phase I of this research, coolies often switch to seasonal trades to generate surpluses. These surpluses are invested in alternative businesses or in land. As we discussed in Phase I of this research, a critical factor in surplus generation is cash flow management. Poor groups are drawn into continuous and often an expanding rotation of loan and savings. As we shall discuss shortly, this draws upon surpluses in both rural and urban areas. A critically important aspect here includes real estate as a mechanism to lubricate this cycle.

The second is the possibility to get linked to other production resources, such as, finance, contacts with suppliers and information. The potential of high profit in the season allows them to take high interest loan for the length of the season and get connected to financial circuits and information about market trends in various product areas. The concentration of poor groups also attracts private financiers and helps to evolve also several types of chit groups to evolve here.

Third, location is also critically important to establish reciprocal relationships between poor groups and traders. As we shall discuss in some detail later in this section, this enables them to procure materials on credit and also access and consolidate their claims to productive location in the market. Such contacts with the traders and financiers established over time are important factors influencing mobility into relatively profitable trading arenas. As we shall discuss later in the next sub-section on land, such relationships are closely connected to functional relationships between different groups.

Fourth, as we shall discuss in detail later, location plays a part in fostering political links along occupational and spatial lines. The organisation of poor groups helps even at a non-political level. This helps poor groups to organise along occupational and spatial lines and negotiate for better wages and access to locations. The following box provides an illustration.

**Box 19: Organising coolies**

Muniswamy works as a coolie in the new market complex. He migrated from Tamil Nadu in search of work and ended up in the KR Market area. He started off as a coolie and used to sleep in the corridors of the market premises. He carted the luggage of customers visiting the market and earned between Rs.2 and Rs. 3 per basket and their daily income used to fluctuate between Rs 15 and Rs. 40. A year later he joined a coolie group which had the support of many shop owners. The groups also had an understanding relating to wages. The shopkeepers agreed to pay Rs. 5 for small basket and Rs. 10 for a sack load. Now he earns Rs 80 - 100 of which he spends Rs 45 to Rs. 50 towards food and daily consumption. The remaining amount is given to a shopkeeper. Some of his coolie friends also invest in chits. Like other coolies, he takes a lump sum amount of Rs. 1500 to Rs. 2000 every time he visits the village – which is usually between a month or six weeks. Last year, his wife has also moved into the market and works as helper in one of his shops.

*The coolies are organised along spatial and occupational lines. The coolies attached to different markets have their own association. For example, coolies in the old Thargupet market have an association called the 'The Karnataka Labour Union'. Similarly the Kalasipalayam market coolies and the new market coolies have their separate associations. Moreover, there are separate associations for loading and unloading coolies. Most of these associations are affiliated to trade unions but also maintain contacts with political parties. One such union is The Karnataka Labour Union. This union was started 21 years ago by the coolie workers of old Thargupet Market. The union has around 315 members at present. The union membership has apparently declined with the shifting of the wholesale market from Old Thargupet area. Prior to the shifting of old Thargupet market, the association had around 700 members.*

*This group started the union to reduce the harassment by employers, unstable wages, and to deal with the government. The union has now entered into an agreement with the shopkeepers to ensure proper wages and constant work for its members. Union members are compensated for accidents at work place and also provided with medical aid. The union also helps to resolve conflicts between coolies themselves, and between the coolies and the shopkeepers. Membership is open to all coolies in Thargupet Market, but newcomers need to be identified by other coolies, and also get a surety from existing members. The union also aims to prevent its members from consuming alcohol at workplace to ensure that money earned reaches their families. Our interviews with coolie members revealed that most coolies do not have any serious problems with the more established of shopkeepers. Most of these are Marvaris, Muslims and a few Shettys -- all have been trading in the market for a long time. Some of the coolie families apparently have worked in the shop for more than two generations. They approach trade union only at times of dealing with new situations. For example, when old Thargupet market was shifted to Yeshwantpur, the coolies also moved into the new area. The incoming coolies attempted to negotiate with shop owners there on issues of job stability. However, this sparked a conflict between*

*them and the existing coolies residing in Yeshwantpur market. The two groups then approached the trade union to resolve the conflict. In a similar way, the hawkers too are organised based on a location basis. It is said that there are 34 such informal coalitions of coolies and hawkers in the KR Market. They have organised themselves under a local leader that has connections to the mainstream political party to ensure and establish their claims to productive locations.*

*Relationships and opportunities for dispute resolution are strengthened when coolies move up the economic ladder and enter into more stable occupations such as hawking and at times even commission agents. The case of Viji is one such situation. A native of Tyambalyam village in Tamil Nadu, Viji is one of the few hawkers that have managed to start a wholesale shop. He came to Bangalore alone 23 years ago. Initially, he worked as a coolie in a wholesale shop selling betel leaves and nuts. He was paid Rs 3-5 per day. He worked in the shop for two years and altered staying between pavements, shops and his friend's residence for the first few years. In the seventh year, he invested in lemons, and moved onto hawking these on the pavement. Since police harassment was high for both residence and hawking on the pavement, after some time, he rented a room along with his friends. Three years later (and ten years after starting off) he took a loan of Rs 50,000 from a private financier of his village, and rented a shop in the old market. This was to start a wholesale trade in vegetables to be retailed out to his friends who are also hawkers. The loan amount of Rs. 45,500 was given to him after deduction of interests. The loan was to be repaid every day within a period of 100 days. Every day he repaid Rs. 500. When the old market complex was demolished, his landlord allowed him to trade from a temporary shelter. Now Viji has rented a shop in the new market complex. The shop measures 100 Sq.ft and he had to pay Rs. 2000 to BCC in addition to the rent to the original shop owner. His contacts developed over all these years have allowed him to take part in chit funds, which allows him to invest surpluses and also take loans of both long and short terms for buying stocks and also for the purpose of daily cash flow.*

Such relationships and associations serve to blur trading hierarchies -- at least to some extent. For instance, a commission agent heads one of the associations of 'loading' coolies in Kalasipalayam Market. He was previously a hawker who moved up. There are a few cases, like those of Viji described above, where hawkers have moved up the trading hierarchy to even become commission agents.

Fifth, the clustering of different economies provides a cushion in times of crisis for those poor groups. This could also include at times; those involved with declining economic sectors. Poor groups in the latter find it easier to switch to other alternative employment streams in the trade and service economies. A case in point is the low skilled employees of the mills in the market wards. With the closure of the mills, these groups were able to move into alternative jobs such as coolies and trade. This was largely possible due to their close physical proximity to manufacturing clusters, which helped them establish contacts with groups there. Some of the more skilled families were also able to move into small scale weaving units.

With such intensive economic activities, reasonably open access at the lower levels of economic circuits and access to some form of finance, it is easy to see why such central city area form important entry points for migrants. However, there are limitations on the extent of mobility in the different economies. While there are several instances where coolies have moved up to become hawkers, relatively fewer have managed to move up from hawking to being commission agents in retail and wholesale trade.

We feel that there are two factors that affect the mobility of poor groups: Access to land and Finance, which is both, dominated by higher level traders. We shall discuss this issue in detail in the next sub section but aim to outline the various forms of financing sources at this stage.

The different traders depend on three main types of financing sources. These include:

- *The trade based financed:* The most common and extensive form of finance, this is usually the case between hawkers as a flower retailer and the flower wholesalers. The former sits on the ground or pavement while the latter are larger enterprises locating in shops. The finance is linked to the trading relationship that they have, and thus on a day to day basis;
- *The ethnic based financing system:* Almost all groups also draw upon their own ethnic community to access finance. This often involves people from their own village and both for long/ short-term chitties, and also on a day to day basis. Interestingly, different ethnic groups in finance business have particular characteristics. In KR Market, traditional communities such as the Shetty and Marvaris focus on daily lending drawing on their community based financing mechanisms<sup>59</sup>. Tamil migrants borrow funds from the lower level traders in the markets. Other Tamilians are also into daily finance business mobilising their funds from their villages. Some of them run chits in Bangalore mainly among the people from their village. In almost all cases, financing is done on the basis of community-caste linkages, which act as powerful guarantees rather than only 'trust' as is commonly portrayed. These may not only be between the financier and the borrower but between established borrowers who introduce others. The Komala chettys for example borrow and save in a chit fund run by a member from the same community. Similarly hawkers run their own chits among Tamil migrants.
- *The professional financiers:* These are people who come from particular financial communities like the Shetty, Chetty, Komala Chetty, and Marvaris. People approach these groups mostly for day to day investment of their savings in 'pygmy deposits' and also for lump sum loans. There are also private financial institutions in the market. Many Tamil migrants for instance, depend on such private financiers also from Tamil Nadu. Poornima Finance is one such institution very popular in market organised by a group of relatively wealthy migrants who draw upon rural surpluses. They lend up to Rs. 50,000 to (mostly smaller hawker turned wholesalers) at an interest rate of 9% PM to be repaid in 100 days. The repayment is organised on a daily or a weekly basis. For small

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<sup>59</sup> See Benjamin 1996 for a detailed description of the Marwari system of enterprise and trade finance.



businessmen and footpath vendors they lend Rs 100 in the morning for which Rs. 110 is paid back in the evening.

### 1.1 'Urban - Rural' links

A very significant aspect of the central city areas is the urban-rural linkage. This forms a very important process for the upward mobility of different poor groups in the city, and also their relatives in rural areas. Various types of poorer groups get involved in a cash flow involving a cycle of credit in urban areas, where substantial surpluses are invested in rural areas for buying better quality land, building and upgrading houses, buying diesel pump-sets. Figure shows the surprising amount and intensive cash flow from one such village and their investment circuits<sup>60</sup>.

#### **Box 20: Kattupaiyur -- 'Rural' or 'Urban'?**

*The majority of hawkers in the KR Market are migrants from the backward villages of South Arcot district in Tamil Nadu. This is a relatively poorer part of the state with poor quality of land. Kattupaiyur is one such village from where several families migrated to Bangalore. Like other Indian villages, the social organisation of residents is centred on the joint family system or what is locally termed as 'moolah' or 'root' families. The upper section of Figure 1 shows this structure in a diagrammatic way. In Kattupaiyur, there are 300 root families constituted by about 517 households with a total population of about 3500. Of the 300 root families, 250 belong to Gounder (or land owning class) Caste, 50 SC/ST. The other caste groups mudaliars form a minuscule part of the village population. The agriculture is mostly dry land based, with most of the households being small farmers (70% of the agricultural land is dry land). Of the 517 households in the village, around 100 are said to be landless farmers, most of whom are working as sharecroppers. The majority of the remaining 417 households, own between 1-2 Acres and 3-4 acres. The landowners are predominantly from the backward 'Gounder' community. Most Gounders own between 2-3 acres of dry land and 1-2 acre of wet land. The SC/ST would conventionally own dry land but share-crop or work as labour with those with access to wet land. There are 5-6 large farmers (again Gounders) who own between 10 - 20 acres of land of both dry and wet land. The land value for wet land at the time of study (March 2000) was said to be around Rs. 5000/- for a 'cent', and for dry land, Rs. 500 to 1000 for a cent.*

*Figure 1 also shows the changes in the root family structure due to out migration. Here, the younger couples and individuals migrate including children of working age while the elderly people and the very young continue to stay in the village. In addition, to maintain the agriculture and family, one younger couple stays back. Migration from Kattupaiyur started about thirty years ago due to lack of rain and irrigation facilities. Our interviews reveal that out of the 517 households, at least one member from each has apparently migrated to different cities. It is useful to conceptualise the extent of migration in terms of urban units since these capture the organisational structure more accurately in its functional sense. There are about 350 urban units in Bangalore, 150 urban units in Madras, and another 20 urban units in Bombay and Delhi. According to the villagers, families prefer to go to Bangalore because of the*

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<sup>60</sup> Our initial interviews with hawkers in the city market revealed the important role of rural connections in a financial way. Thus, two members of our core research team decided to visit a village to confirm the amounts of remittances that hawkers claimed and also to get a sense of how these were invested. One of the two-team members belongs to the same community as many of the hawkers and we thought it better to visit her village and meet her relatives. This would help ensure the reliability of the information collected. Given the limited time and resources, we have focused mainly on the economic impacts of these circuits rather than on the complex social and political consequences. For instance, much of the money flows is accrued to the SC/STs and Gounders impacting their position in the traditional caste and class hierarchy. Since these remittances are also used to access better quality land, the political impacts are also likely to be significant.

*diversity of employment opportunities enable them to generate greater surplus. Those who have moved to Madras can only find low-grade work as coolies in the airport or as un-skilled industrial workers in North Madras. These have less mobility as compared to employment in Bangalore. Also, in Madras, women do not find much opportunity to earn an income, and have to usually work as domestic servants with low pay and less upward mobility. In Bangalore in contrast, both men and women are involved in hawking and are able to generate enough surplus to send remittances and also make investments back home. Within Bangalore, migrants from Kattupaiyur located in different localities like the KR market Jayanagar and Madivala in South Bangalore and Yashwantpur in the North West. Those in the KR Market are working mostly as hawkers, market coolies, commission agent, retailers, wholesalers, push cart vendors. Those in South Bangalore wards of Jayanagar, and Madivala are predominantly in hawking.*

*We roughly calculated the yearly remittance back to Kattupaiyur is about Rs. 540,000 from the 350 urban units. However, it is important to view these circuits as a complex dynamic rather than 'static incomes'<sup>61</sup>. Figure 2 shows these cross flows and what they are used for in a diagrammatic way. Here, it is useful to see how the amount varies according to the time of the year and how these are linked to the festivals and village fairs. The Gounder families visit three times a year for major festivals -. Utharam, pongal and deepavali. Similarly migrants from SC community visit their village during the pongal season. Since there is a variety of hawkers/ coolies we have shown these flows related in terms of different categories of poor groups in Figure 3 where we look at these flows in detail. From our interviews in Kattupaiyur we roughly calculated the volume of investment by root families between 1990 and 97:*

- *50 invested around 250,000 each in RCC houses;*
- *100 between 100,000 to 150,000 in RCC houses;*
- *150 have invested in an acre of on an acre of wetland worth around Rs. 100, 000.*
- *150 invested in diesel oil engine costing Rs. 18000 to pump water for agriculture.*
- *50 upgraded their existing wells*
- *15 families initially purchased kerosene motor engine worth Rs. 25, 000 in the last 2 years (Families presently opt for diesel ones due to the cheaper prices).*

*In addition, wages in the village have increased considerably. 10 years ago in 1990, the wages were Rs. 5 for male coolies and Rs. 3 for female coolies. At present a male coolie earns around Rs. 50 and a female around Rs. 15.*

*Chit funds and the way these are played along with funds from private financiers play a critically important role in all these financial flows. Figure 3 also shows the variety of chit funds and their varying cycle times. Each of the three categories of coolies and hawkers are involved in different ones investing and drawing on funds from these at different times in their cycles implying varying costs of capital. The chits are almost always organised among people belonging to the same village. Often the organisers have themselves risen up from being hawkers themselves. We also found that the chit fund capital is also circulated among various trading circuits in the market. This helps the participating members to accrue significant returns on their investments. With some initial grounding in the city, almost every hawker gets involved in the financing business and our impression is that this is largely possible. However, only some are able to do this on a continuing basis. They obviously form the top of the hawker community and graduate to often becoming commission agents. Actor 'A' in Figure 3 is one such representation. Such agents normally deal with vegetable or flower trading where they have the easiest entry and also which forms a significant portion of the total local economy. Even if there are relatively few such cases, these agents play a critically important systemic role for a larger group of hawkers and coolie. They are also instrumental in developing links with the farmers in the village to*

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<sup>61</sup> The reader will recall one of our main argument in the first phase of the research of the need to consider the nature of cash flow rather than only incomes and expenses. The main point for poor groups was to maintain the rapidity of mobility of funds rather than keep them static for long periods of time.

*market their produce in the city. This is not at an individual level but rather as a group and thus has a larger multiplier effect. According to one of the commission agent, prior to 1997, the main crops cultivated in the village were ragi, paddy, and sugarcane. Apparently, the commission agent suggested to people in the village to grow vegetables that are in demand in Bangalore. This changed the cropping pattern in the village significantly and is today organised to suit the market needs of the city. At the time of our visit, most villagers were cultivating cauliflower, and several group working in clusters supply vegetables and fruits daily to the city market. Since there are no official marketing or transport facilities, much of this is done informally via the public and private passenger buses and vans. From Kattupaiyur, every day about Rs. 10, 000 worth of vegetables are transported to Bangalore and additional amounts to other cities including Madras. This has set off other economic agents. A hawker turned commission agent from Kattupaiyur acts as an agent to the retailers and distributes the vegetables. The villagers have evolved an agreement amongst themselves as to which cluster group supplies the vegetables to the city on a particular day and how this is rotated on a weekly basis and during the peak and low seasons.*

*Another very significant finding from our interview in the village is the land connection -- both in the village and also the urban periphery and how these are linked. In the village, root families use their remittances to buy land, which is then given on a three-year lease for sharecropping. This amount is then used either in upgrading their trade in the urban areas or even to invest in a three year leasing arrangement (bhogey) in urban areas. We came across several families who invested in land and building in Bangalore's peripheral areas such as BTM revenue layout, Dasarahalli, Kathriguppa. They use the form of leasing in a very dynamic way to generate lump sum amounts which is critical for them to make capital investments to 'jump an energy level' to a situation of greater economic stability.*

*Perhaps most interesting, the variety and intensity of such economic changes has changed perceptions of being rural. In the assessment of the villagers, Kattupaiyur would soon develop into a town. We feel that a critically important set of issues relates to the complex political and social changes. Although categorised by demographers, economists and planners as being rural folk in a 'backward' district of Tamil Nadu, our impression is that such a label and conception is highly misleading, and misses out the significant influences at play.*

As can be inferred from the above box, poor groups are involved in a series of complex financial circuits involving a cycle of credit in urban areas, investment in rural areas, credit repayment with the surpluses from both rural and urban areas. Rural remittances by migrants constitute different cycles of investment with significant multiplier effects in both urban and rural areas. Another important conceptual point relates to the concept of the individual and the family. We have shown how these need to be contextualised, and that a vital factor in this accumulation process is the way the structure of the household actually operates. Although spatially dispersed in urban areas, the decisions and investment tend to be joint. Most poverty programs on the other tend to treat families as nuclear units, with single earning member.

Our main point from this case has to do with the complex inter-dependencies, referring to the rural-urban continuum via financial and trade circuits. Rural surpluses are circulated via several circuits in urban areas. Finance for investments are generated via private or chit advances operating in the city. These are then paid back from the city earnings and from the lease strategies. The private financiers then re-circulate the chit collection among traders. In addition, the private financiers draw on the cheap rural surplus for their business. The landowners of Kattupaiyur for example give their surpluses to the financiers for expansion. These circuits

of capital linking both urban and rural locations have also resulted in migrant settlers having moved up from hawking to higher levels of trade use their rural-ethnic links to procure materials for the urban markets. Information about the market needs is circulated via the village contacts that visit the city regularly on a weekly basis.

To get a clearer perspective of this continuum, we present a case of hawkers in South-West Bangalore who has moved up in the economic ladder. What is of significance is that the couple we mention was a very poor couple. We came across several such cases with greater stability and using more remunerative financial mechanisms like chit funds. In this case, their relative poverty forced them to approach private financiers. Never the less, the key role in this process is played by land development. This case also serves as an appropriate introduction to the next sub-section on land and politics.

### **1.2 Financing Urbanisation at the Grassroots**

How does urbanisation take root? The development of land to form an urban setting is one of the most fundamental processes of urbanisation. Sundramma's story, which we describe below, illustrates the essence of urbanisation relating to an important form of 'grassroots' finance. Sundramma and her husband are both relatively poorer hawkers. He sells groundnuts, a low value item, while Sundramma sells over-ripe (bordering on the rotten) vegetables within the squatter neighbourhood making Rs. 60-80 a day. How is that despite operating at the 'lower end' of the hawker circuit, she has built a three storey house on a small plot of 20 feet frontage by 30 feet depth. The house is nothing great to look at and un-finished in parts. Sundramma's own room (one of two on the top floor) has walls are made of brick, roof is of thatch, and no doors and windows to speak off. However, this is a three storey house and while her own room was un-finished, the rooms put out on rent were certainly finished and marketable.

In the previous paragraphs, we showed how various types of financial circuits were juxtaposed to form complex economic circuits. These include complicated links connected with rural areas. We have also seen earlier in Azad Nager, the complex local economies that evolve and spur complex financial circuits. Thus, understanding the link between financial circuits and the development of land 'completes the circle' so as to say. Sundramma's case provides a vivid insight into how this happens for the poorer of hawkers. There are also important political and ethnic dimensions of such processes – an issue we discussed earlier. Here we specifically focus at a more 'functional' level for the sake of clarity. Most of Sundramma's neighbourhood, and of Bangalore's non-Master Planned area (housing the bulk of its population) have developed in very similar ways. An interesting corollary is that if this form of land development is so extensive, then the complex financing circuits must be also be just as extensive.

At the outset, it is critically important to note the unique aspects of cases like these. For one, the politics of land

settlement and establishing claims at the micro level is almost always a unique. We have seen earlier in the case of Azad Nager, how important local politics is and how this is shaped by complex ethnic and cultural identities. Family structures too are shaped differently – forming the basis for pressure to get translated into neighbourhood alliances. Finally uniqueness also comes about from the particular ‘geo-politics’ of urban location. For instance, the case of Sundramma relates to the complex local politics of South East Bangalore and the regressive impacts of Master Planning, which we discuss later in Section 3C.

Paradoxically, out of this complicated world, also emerge well-established strategies and conventions that are generalisable. In the case we highlight one of the important ones: The complex inter-linkages between incremental development, varying tenure forms, and the evolution of real estate<sup>62</sup>. Here, financing mechanisms like ‘Leases’ ‘advances’ and also ‘Chit funds’ involving wide ranges of intermediaries play a critically important role. There are also well-established conventions and sequences by which poor groups access to land. A couple like Sundramma and her husband for instance, would need to buy (at low price) un-serviced plots in a revenue layout. The low levels of infrastructure and possibly insecure tenure would make such plots affordable. The finance for the plot would be procured via a private financier. Private financing for such deals is critically important because the money is available immediately to make the deal. This is however a very costly form of capital and to reduce the interest burden, the higher end squatters with relatively stable incomes becomes a member of a chit fund. If they are more established and well connected in the local economy, they can even start a chit fund themselves. The Chit fund allows them to get a lump sum amount by ‘lifting’ the chit in its initial stages. This is used to pay off or substantially reduce the capital amount of the private loan. The rest of the money – both of the private finance and the various instalments of the Chit fund, are paid off in an incremental way from other income sources. For the poorer hawkers, finance is arranged via forms of tenure mechanisms of ‘leasing’ and at times ‘advance’ payments. While the aim is to pay off the more expensive loans, the rest is adjusted incrementally from varied sources. One can be the hawking business, but it can also include investments made in other chits or a monthly stream of rents from rental units called ‘land rentals’ developed on the newly acquired property. ‘Land rentals’ – simple huts with a thatch roof are a very common development helping to recoup initial investments. Catering to poorer groups attempting to establish a ‘second level’ foothold in peripheral areas these are provided on a low rent but with an ‘advance’. Typically the rent would be about Rs. 400/ hut and an advance of Rs. 3000 per hut. Normally on a 20 feet by 30 feet site about four such huts are possible. Assuming that one of these is occupied by the landowners, this provides a gross surplus of Rs. 9000 of which half goes for the construction of the huts<sup>63</sup>. With this background, we now look at the specifics of Sundramma’s case.

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<sup>62</sup> In other sections, in the case of Azad Nager for instance, we highlighted other generalisable issues – the form of municipal centered governance that is most conducive to such processes.

<sup>63</sup> For the plot owner, the returns are not only the money but also to secure the plot. Even so, the plot owner has to maintain frequent visits to the plot, maintain a contact with the local politician to ensure their consistent claims to their pot.

### **Box 21: 'Thatch to RCC: The House that Sundramma built'**

(See in conjunction with Figure 5)

Sundramma found a relatively good location in South West Bangalore, Banashankari. While providing access to the richer groups as potential clientele for their hawking business, the couple could squat on a relatively large plot of 20 feet by 30 feet in-between a resettlement colony of squatters moved out of more central city areas and a revenue layout. This particular situation came about because of a complex politics centred on ambiguous land claims. The land was generally known to belong to the adjoining Banashankari temple but records were diffused on this issue. This situation was largely made possible by a series of resettlement colonies built for squatters moved in from more central city areas. This government built housing enclosed a rocky outcrop left un-developed allowing various groups to move in. Across the rows of resettlement houses, was another squatter neighbourhood called Nehru Colony. Thus, when it was apparent that the open space was available for settlement, these local groups decided to settle the area. This process was facilitated by the Temple committee on one side of the open space, and a mosque on the other which promoted its own groups. Unlike other squatter settlements, this was fairly well organised sub-divided into neat rectilinear plots of 20 feet frontage and 45 feet depth. Sundramma's was one such plot located to where the stone cutters were of a lower caste. The social stigma associated with them made it easier for Sundramma and her husband to lay claim to their plot.

**1983:** The specific circumstances of this particular location allowed Sundramma and her husband to directly access land by squatting. In the first five years, the couple lived in a simple thatch hut - like most of the neighbourhood. This was also a time when they were establishing themselves in the hawking trade. Also, South East Bangalore was just beginning to be developed with the BDA acquiring large tracts of land and allocating land to middle and higher income groups. The land prior to acquisition was mostly agricultural but also included some revenue layouts. Also at this time, squatter settlements in more central city areas were demolished and moved to resettlement colonies in the South East of Bangalore -like the one in Banashankari. Thus, most of their immediate neighbourhood was sparsely developed and of families trying to find a foot hold.

By **1989**, much of South Bangalore was well developed as a middle and higher income area and Bangalore also started to witness what was to be a significant boom in its real estate. These developments attracted newcomers to settle and in 1989, the couple took on as a tenant, a 'yuppie squatter'. As a single young man, he was attempting to establish himself in Bangalore. The arrangement was a conventional one. He would pay her a lease amount of Rs. 25,000, which Sundramma would use to build a room for him to occupy for a period of three years. This money also allowed them to convert their thatch roof to a more permanent and waterproof one made by asbestos cement sheets (AC- Sheet)<sup>64</sup>.

**1990-91** Interestingly, after a year and a half, two of her rich relatives from the village moved to Bangalore and wanted accommodation. She worked out a deal with them whereby she would build two more rooms on the open side of the plot. The new rooms were to be of RCC -- more permanent and comfortable (due to greater heat insulation) than the AC sheet roof option. Thus, she was able to get a lease amount of Rs. 30,000 for each room amounting to a lump sum of Rs. 60,000. This money was used to up-grade the roof of the original two rooms from AC Sheet to RCC and also to help for the flooring. This was in addition to what she had been taking from private financiers in an incremental way over the months amounting to Rs. 40,000. Typically, she would take about Rs. 5000 to Rs. 10,000, buy construction material, which would then be stored for some time or used to build a smaller portion of

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<sup>64</sup> As explained earlier, a 'lease' arrangement is normally for a 3 years where a person provides a lump sum amount in the beginning of the period but does not pay rent. The owner lives off the "interests" by further investing this amount and after the lock in period of three years, has to pay back the initial deposit for the tenant to vacate the premises. If the tenant wants to stay on for another three years, than the owner can demand an additional lease.

the extension area<sup>65</sup>. The private loan would be paid off on a daily basis from the couple's earnings as hawkers and once cleared, another amount of say Rs. 10,000 would be taken from the financier. Thus, the roof, which required a lump sum payment, was financed by the leasing arrangement and the rest of the construction in a more incremental way.

**1992-93:** This was a time when Bangalore's real estate industry started to experience a significant boom spurring the construction industry. The neighbourhood was rapidly developing given its' location in South Bangalore. In response a growing demand for rental units and also due to opportunities that the new RCC roof provided, Sundramma decided to built another two rooms on the terrace with a RCC roof. It was quite easy locating two tenants, and as per the convention, they gave an advance of Rs. 30,000 each amounting to Rs. 60,000 and a monthly rent of Rs. 300 each. Also, by this time, her 'yuppie' tenants living downstairs also decided to vacate his room. He needed to be paid back Rs. 25,000 -- his initial lease amount. However, since the room he occupied was now upgraded with a RCC roof, she could now lease it out 40,000 to the incoming construction workers. Many of these had previously been coolies who had become skilled and found ready jobs in the surrounding neighbourhood due to the boom in the construction industry. Another change was that the lease of the ground floor relatives also expired. They wanted to stay on in the same location so a lease was re-negotiated for them to pay a marginal increase. In addition, she was also part of an NGO group, which gave her access to a loan of Rs. 10,000, which she used to build a proper toilet block as a way to also upscale her accommodation from the previous shabby outhouse.

**1996-97** By 1995-96, the lease of the first floor tenants expired but she was not able to pay back the advance amount they had deposited with her. Thus, she re-negotiated with them for them to pay slightly more advance (Rs. 10,000) and also increased the rent to Rs. 450 each to stay on. By this time, the neighbourhood had consolidated quite well. In 1996, two more renters approached Sundramma and offered her lease money of Rs. 60,000 each totalling Rs. 120,000 for two rooms. Attracted by this offer, and also not wanting her older tenants to stay beyond 4 years, she offered them Rs. 80,000 to vacate the place. With the remaining money she started the construction of the additional two rooms on the roof. This construction process also spurred off two tenants approaching to take on the rooms. She got another 60,000 each amounting to Rs. 1,20,000. The tenants, as is the custom, paid her in instalments in parallel to the construction process of the two more rooms on the terrace. However, constructing the extra roof required that this had to be jointed with the existing. Also, the existing roof also needed patching up, as with other parts in the house. All this required extra money. The construction process had also disrupted her hawking and there was also needs for household consumption. All these factors forced her to take a loan of Rs. 40,000 from a private financier. This loan meant that she had to re-pay on a weekly basis a minimum of Rs. 300 to Rs. 400. However, the couple's joint earnings per day was hardly Rs. 70 (50 + 30). Other money was locked as the various leases and the rents did not solve the problem since that went towards their daily needs. The NGO loan too remained unpaid.

In these circumstances, Sundramma thought of scaling down their living. The room on the ground floor, which they occupied, had a RCC roof. Given the increasing demand for rental properties in South Bangalore, this could fetch her an advance of Rs. 25,000 with a rent of Rs. 450. Thus, she vacated that room and built a small thatch room on the second floor. This move gave her a surplus of Rs. 20,000, which she used to payoff half of the financier amount thereby reducing the interest burden. However living under a thatch roof during the monsoon affected her health inducing her asthma. This in turn affected their hawking and they were not able to keep up with their re-payments. Most of the in-coming rents went for her food.

**1998-99** by the end of 1998 however, she had to repay back two loans: a) Rs. 10,000 with interest to the NGO; b) Rs. 20,000 to the private financier. Here, while the capital was only 10,000, the interests over the previous months had multiplied the total. This is in addition, to her smaller and short-term loans that

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<sup>65</sup> In this process, she also used second hand material to build the walls.

she took frequently to payoff for school payments for her four children (for uniforms and books), and adjusting the food payments when supervising the construction. The break in this situation came from the vacant terrace.

One of the neighbourhood's residents noticed the vacant terrace and approached her to help finance the construction of a room. For this, he offered her Rs. 30,000 in instalments to start the construction<sup>66</sup>. With this offer, Sundramma upgraded all the walls including those of her own room. Initially she also wanted to put an RCC roof on the entire built structure. To do this, she once again approached the private financier to get a loan of Rs. 60,000. The financier knowing her condition gave only Rs. 40,000. With this money, she built the tenant's room with a RCC roof, and upgraded her own from thatch to AC sheet. Her own room was still without doors, windows, had un-finished flooring and with un-plaster walls.

In entering her un-finished room for this interview in 1999, we found Sundramma worried – but in a matter of fact way. One was that a cat had just jumped in and knocked over a bottle of home made pickles. On the floor, her four year old son was crying. The main reason emerged when she brought out and waved a thick wad of private financier's payment schedules. There were eight of these. Each for a different amount borrowed: Rs. 100, Rs. 500, Rs. 1000, Rs. 5000, Rs. 10,000, Rs. 20,000. All of these were of varying schedule length, ranging from payments being on a daily basis, weekly, and monthly basis. Keeping track of the complex interest calculations for each of these eight schemes and arranging for money to minimise the cost of capital. This was certainly not an easy task – especially for us who are used to more 'linear' forms of capital management and the issue is not always the rapid rotation of money. Even in this situation, she was relatively un-perturbed and confident that she would rise above her financial situation. First, she now had an 'investment' with a value of about Rs. 650,000<sup>67</sup>. This was for many reasons. For private financiers, 'attaching' such property is very cumbersome in great part due to the already built up claims to it due to the various tenants. There are two broad options for the financier. In the worst case, they hire goons and would enter her place and pick up anything that seems of value (a TV, Refrigerator etc.). But this is mostly symbolic since the re-sale value of these items is very low. Also, the 'use of force' against a person who had been their client but stuck due to financial problems (rather than cheating) is looked down upon and prove to be socially counter productive. A more common response is to re-negotiate the terms of the remaining balance adjusting repayment schedules and interests. It is also very much in the interest of Sundramma to pay off these loans as soon as possible. This is not only due to the cost of capital but also because of her own reputation at stake. Neighbourhood gossip is very efficient in this regard, and if she makes a serious default, access to all sorts of sources of finance will be cut-off or at very high interest rates. This would be suicidal, as the essential core of moving out of severe poverty is to rotate money.

For Sundramma's perspective, the opportunity to resolve this issue lies in the rapidly developing neighbourhood raising demands for rental housing and the possibility of leasing or advances. This is also well known to the private financiers who face such situations quite commonly. The serious problem for people like Sundramma is when the urban economy is hit across sectors – real estate, trading, the construction industry and small-scale firm intensive industry. The second are personal crises that can seriously disrupt the case flow.

To provide additional clarity to the above process, the sequence of development from 1983 to 1999 are provided

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<sup>66</sup> This kind of arrangements (in between a lease or an advance) are quite common. Also, a person's financial condition is often an open secret and makes extensive rounds via the neighborhood gossip. Part of the gossip is also why a person wants such an accommodation. In this case, the residents' daughter had got recently married. The parents were keen that the daughter to stay in close proximity to them which provides the daughter a form of security against domestic violence. Often these types of units are also given as part of the dowry.

<sup>67</sup> This is our conservative estimate since at the time of the interview, a very similar plot (size and location) with a super structure of one and half floors had sold for 500,000.



in a graphic format in figure 5 along with major events. This grassroots view of the process of urbanisation raises several issues:

The first relates to the relationship between urbanisation and poverty. Popularly, poverty is seen as a consequence of urbanisation. We feel that the issue is related to the way surpluses are distributed between poor and other groups. In the Azad Nager case, we saw the complex political dynamics involved. In this case, we have highlighted the underlying financial mechanisms that make this happen. As we will see in the next section, a Master Planned area does not allow for such financial mechanisms to evolve or makes them illegal – making for exclusive development and increasing poverty.

The second is on the ‘Housing perspective’. Conventionally a housing process is categorised as ‘welfare’ rather than being ‘productive’. Some authors like Strassman and Ganesan have shown the considerable multiplier effects of the construction industry. This is important. Here we want to reinforce the issue of land transforming to be a productive setting for local economies. In the Azad Nager case, this issue was more explicit in terms of the vibrant local economies that took root in that residential area. In the same way, we would argue that Sundamma too is in fact responding to neighbourhood change and caters to the rental needs of new residents finding openings a growing economy. She too is very much an entrepreneur – as a hawker and also as an agent supplying a vitally important resource. Often, in very similar settings, lower rooms are converted into workshops or commercial retail (as is so common in her neighbourhood). The case shows that land transformation of this form establishes immediate connections between economic flows from the local economy, through real estate and then on to fund the construction industry.

One of the highlights of the case is that of the incremental transformation of land. It was very important for Sundamma to operate flexibly and at times, source funds incrementally in parallel to building up the house. In contrast, the strict land use and development restrictions in a Master Planned environment would kill such initiatives and as a consequence important survival mechanisms. For a people like Sundamma and her husband, as poor hawkers to put together an investment of at least Rs. 650,000 is quite a feat.

The case showed complex cash flows linked to the various instruments like Leases, Advances Like the case of rural remittances discussed earlier, such mechanisms have widened the sources of finance in addition to private financiers. Other slightly better off hawkers would have also used mechanisms like the Chit Funds that do not put such a strain. The significant point here is to note how the diversity of tenure forms is critically important. This diversity exists in other cases too, which include parallels to the Bangalore case. For instance, Delhi has the system of rentals with ‘Security Deposit’ similar to ‘advance’ in the Bangalore case. Both are usually used in

property rentals in residential / industrial area where the rate of increase in land value is not that significant<sup>68</sup>, and is returned without interest at the end of the rental period. The second is 'pugree' where the increase in real estate value is paid by the new incoming tenant to the older tenant and shared in a ratio of 1/3 and 2/3 between the land owner and the older tenant<sup>69</sup>.

The case also raises the notion of 'savings' by the poor. Conventionally, most development schemes promoted by NGOs and Government focus on getting the poor to 'save'. Our research (like this case) suggests that the main issue is the need to constantly rotate money. We saw this in the previous section on the way hawkers are constantly rotating money from one circuit to another, land, trade, finance, and also between urban and rural areas. In contrast, most NGOs and also public sector view poor groups as passive players.

Our main intention here was to highlight the importance of the way poor groups use complicated financial circuits to move up the economic ladder. Central city areas such as KR Market play a critically important role in this process -- linking rural flows to urban ones. We will now focus on these issues in their political sense in the next sub-section. There we shall get into further detail various economic and political aspects that affect access and mobility. This has two aspects. First, the way diverse local economy clusters each with very different types of functional relationships between poor and richer groups shape access to productive and employment maximising locations. The second are political aspects -- especially shaped by land issues. This complexity of factors shape mobility of poor groups -- in the setting of the KR market and also in a broader urban setting. The latter relates to the process when poor groups tend to move out to other parts of the city like Valmiki Nager as described before.

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<sup>68</sup> If it is, then in both places, as was seen in Sundramma's case, the land lord will have to give more money than originally planned to pay off the tenant before the lease period.

<sup>69</sup> The "pugree" system (although called by another name) is interestingly enough also still in operation in the Arab quarters of the older cities of Israel – in Haifa for instance. Here too, the increase in real estate value (paid as key money by a new tenant) is shared between the landowner and the old tenant in a similar ration (Benjamin 1996). In the Bangalore case, this is more informal and negotiated.

## 2. Land Settings

Land in the central city areas for poor groups is issues of basically ensuring claims to location that provide them with multiple employment opportunities rather than 'housing'. The following box delineates the residential circumstances of different groups in KR Market

### ***Box 22: Land Tenure options for Poor groups***

*A large majority of poor groups are connected to hawking economy or as head loaders 'coolies' in KR Market ward. Hawkers in the market areas may be grouped under the following heads: - Basket carriers, hawkers (on a fixed place) and, cart vendors. The basket carriers do not have a fixed location. They normally move around the market surrounding and trade for around 2-3 hours in a day. The cart vendors and hawkers occupy different locations within the Market - inside the different complexes, footpaths, space in front of shops, and open spaces abutting the road. Most men work predominantly as market coolies and women as sweepers. Besides, women also get jobs related to cleaning and packing of wholesale goods into smaller packets for retail sale.*

*Most families, with lack of a recognised address, do not have ration card. In addition to these families, there are a number of individuals that sleep on the pavements. A majority of coolies move to the city alone. They stay in different places - on pavements, in the shops, and in different market yards. There are also families residing on shop terraces. (For details ref. Box. 7, p.112; Phase I research Working paper 15, 1999). There are also small groups of families who occupy the footpaths in different localities of market. Their number is difficult to estimate. They live in clusters varying between 5 and 25 families. Many of these families have been living here for as long as 30 years. This is because, being a central city area and Bangalore's major wholesale trade centre, there are only few possibilities for squatter settlements to develop. Most of the KR Market area is built up with high-density buildings in a row of buildings with shops below and offices / middle and high-income residences above. Some also have storage 'godowns' at their rear. The limited land settlement options reinforced by competition from lower middle /middle income groups means that for most poor groups, especially the new entrants, sleeping on the pavements is one of the few ways to access jobs. Over time, this process has evolved it's own structure of tenure arrangements and territory. Like other cities in India, street sleepers develop contacts with shopkeepers to use the footpaths in front of the shops, in the side lanes at night when not in use and access some basic services: A public tap and common toilets. Access to services is a key point here – despite this part of the city having access to one of the highest levels of infrastructure connections.*

*While some poor groups depend on 'residual' land within in the ward, others stay in adjoining wards. It is hardly surprising that the wards surrounding the KR Market have some of the highest concentration of squatter settlements in the city. There are also a few squatter settlements within the ward. Since these are already developed, entry is restricted to the children and close relatives of those who have already settled here, and a few new settlers with political contacts. According to the Ward councillor there are around 9 squatter settlements in the ward. These settlements have sprung up on both public, and private land. Like other squatter settlements, they have varying levels of tenure security. Consequently, houses with different levels of consolidation - thatch tiles, and RCC developed in them. Diverse tenure arrangements - renting, sharing, occupying are found in the different settlements.*

The intensive economic activities attract diverse population groups who locate in a variety of shelter situations with the ward and also in surrounding wards. Thus, it is important to view areas like KR Market not in the confines of the narrow ward but within a larger urban arena. It is critically important to understand that the main driving force for access to land is that of employment opportunities. As we shall discuss later in this text, such core city areas, with

their ease of economic entry, act as a springboard for mobility. This is where poor groups can accumulate some basic surplus, get to know how to work the local political system, and also opportunities in other areas. Once surplus is accumulated the groups move to other urban localities, or back to rural area<sup>70</sup>. The high density of people here means that one is reasonably assured that one will meet one's relative who can help to settle in. In many ways, in this process, shelter is really way down in the list of priorities. The main issue is of accumulating surplus from inter-playing multiple economic strategies in a flexible way.

Here, the structure of the city market in terms of clusters of specialised trading group's plays a very important role in accessing land for shelter. The clustering of trades spur functional relationships between rich and poor groups. This in turn helps the latter to establish claims to particular locations for a basic form of shelter. Access to shelter relates closely to employment strategy: A group of poor people, bound by ethnic links, organising themselves to negotiate with groups of shopkeepers for better wages and a secure contract in return for reliability. As part of this, they also claim to access to location near the trading clusters. All this means that access to land for economic activities and shelter exists in a situation of diversified tenure rather than distinct settlement types. This has political and institutional overtones as space is highly valued and contested.

Locating in KR Market allows poor groups to get linked to different information and financial circuits vital for day to day survival and mobility. KR Market as the main commercial node in the city, attracts a large floating population from surroundings rural area in addition to different parts of the city. We have seen in the earlier section how important access to multiple sources of finance is since the issue is one of rotation. Such core city areas, from a point of financing circuits, can be visualised as layers of different flows of capital via mechanisms of private finance, various kinds of Chit funds, and other financial arrangements like the Bhogey which affect the rotation of money. As explained in the Azad Nager case, these are not 'neutral' but where economic arrangements are shaped by ethnic groups, inter-linkages of production and also political alliances as we discuss later. Apart from access to finance, this also allows poor groups to access information on investment possibilities. Some groups invest the surplus and move out to Bangalore's peripheral areas as in the case of Asgar of Azadnagar discussed in the earlier section. There are others that have invested in rural areas and moved back.

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<sup>70</sup> The reader will recall the case of Shanker, Imtiaz in Azad Nager discussed in Section 3A as an illustration of this

Land markets are tight for poor groups in the core city areas. At one level, one could hardly expect otherwise given the power structures that push such economic nodes. At another, as we shall discuss later in the sub-section on local politics, these come about due to social relationships between different groups but shaped by political aspects. It is also important to recognise the complex financial, land related, political processes by which poor groups operate within this highly contested territory. Areas like Azad Nager, although possibly more intensive in economic opportunity and mobility, are places where any group needs to be politically agile. Again in contrast, (as we shall discuss later) the Master Plan settings of South Bangalore are hardly settings for the poorest to 'enter' the urban arena. Thus, the critical role of the core city area is as an economic, political (and in-directly spatial) entry point for poorer groups. An important aspect of this process though is establishing claims - an issue, which we now turn to.

### 2.1 Location Claims

Claims to locations for hawking and residence are established through different ways. This also varies between groups. For instance, most of the residents of the squatter settlements are ex-mill employees and lower level state government employees. These groups depend on quite different political circuits than the street hawkers. In the former, the trade unions played a critical role in helping them access land as discussed in our Phase 1 report. (For a detail ref. see settlement history page 111). In this section, we focus on claim making by hawkers and coolies in the KR Market. These are established via complex and sophisticated strategies drawing support from both their ethnic groupings and political alliances.

#### ***Box 23: Establishing claims: Trader relationships and political contacts***

*In KR Market's early history, access to location was facilitated by higher level traders especially the wholesalers. Hawking formed an intrinsic part of the trading arrangements in some trading clusters. In the old market, established in 1928, different types and levels of trading activities were organised under the same roof. The wholesale and retail shops developed around a central courtyard. Hawking thrived on the wide passageways connecting the different shops and around the market complex. Hawkers established claims in this system via many ways. One was a functional one. Hawkers occupied space inside the Market with the support from wholesalers. For example, the vegetable hawkers claim that one of the present MLA's father with wholesale vegetable trading in KR Market, provided space for the former to do business in front of his shop in the old market. Apparently this was quite common and wholesale traders would also supported many of his coolies to enter into hawking. This would also help them to form a wider retailing network. Traders involved in perishable goods such as vegetables, fruits and flowers, would use hawkers as a conduit for distributing their merchandise efficiently. This allowed hawkers to take control over productive locations. They were also able develop a 'niche' market, and*

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process.

*at times requiring further processing and packaging, to cater to specific clientele groups.*

*Catering to specific markets also helped to establish claims. For instance, most wholesalers preferred to trade with bulk buyers and retailers. Similarly, retailers used to cater to upper income groups and petty businessmen. Whereas, a majority of buyers in KR Market are drawn from largely floating population most of whom buy small quantities – being from low and middle income groups. Thus, hawkers would cater to this particular market. Since this market was large, it was also in the interests of the wholesalers and some retailers to establish links. At the most basic level, this related to the supply of materials to hawkers on credit and collected their dues at the end of the day after the sales are completed. Similarly there were also other retailers involved in textile trade, plastic articles that gave their materials to hawkers for sale to the more disaggregated lower income groups.*

*Such reciprocal relationships built up the claims of hawkers to occupy space in front of the larger shops. The growing number of hawkers well supplied by the wholesalers and also retailers (often also operating as smaller scale wholesalers) also resulted in their growing political clout. Similar to what we have described in Azad Nager, this was focused at the local political level pressurising the Municipality. Thus, the BCC had established institutional mechanisms that provided hawkers with some security of tenure. Any good brought in was charged a market excess, part of which went for the up-keep of the market. It is un-clear to what extent the amount was actually utilised for the purpose, but the fact remains that this system also by default provided some legitimacy to the hawkers locating here. The hawkers in the different localities participate in the Temple festival. Vinayaka Chaturthi or Ganesh festival is celebrated on a grand scale in the Market ward. The retail traders and wholesalers control the temple trust. One of the present MLAs is also a patron of this temple. The hawkers ensure that they contribute and participate in the function in order to strengthen their relationship with other traders and these political contacts. For the latter, such events are important to establish political support and possible funding at election time. Knowing the MLA is critically important to establish an effective political circuit to protect and secure productive space for the hawkers. For the hawker associations leaders too these are important times to ‘show’ their political connections.*

Thus, while the KR Market and its intensive economic productivity has not allowed for shelter space like that of Azad Nager, its fundamental importance is that of an economic entry point. We now focus on to a more recent turn in a situation that threatens this role.

## **2.2 Excluding the poor: Urban Designed projects and Master Planning**

One of the most important events in the KR Market has been urban renewal due to its drastic consequences. These raise broader issues of exclusion and exclusion of poor groups. As mentioned earlier, the urban renewal project related to two interventions: Building a new multi-storied complex and next to Bangalore longest elevated roadway. We first look at the consequences on hawkers in the general market area followed by those within the market complex and also at the traders.

### ***Box 24: Urban renewal: Of lost incomes, increased bribes, and court-room ‘proxies***

*The KR Market was the main cluster of shops organised in a court yard form which was subsequently demolished to be re-built as a large urban designed project. This too, is only a component of a larger urban renewal scheme involving a huge (Bangalore largest) elevated expressway and a grid of new roads and parking space. All this is ‘infrastructure’ to ensure a modern city. In the late seventies, as an effort to de-congest the old city and effect-planned development and better traffic management, the State government promoted the construction of separate market complexes. This trend marked the beginning of disruption of relationship between the higher level traders and hawkers. It also paved the way for urban designed mega projects, which seriously disrupted the well, consolidated local economies operating here. The special markets were first promoted to regulate the marketing of agricultural products. A vegetable wholesale market was constructed at Kalasipalayam, 4-5 kms from the old market complex. Fruits wholesale market was shifted to Jaimahal in east Bangalore. The grain traders were relocated in a market complex in Peenya, in northwest Bangalore. Plans were made to demolish the old*

market complex and to accommodate the retailers and flower wholesalers in a new multistoried complex.

In all this process, hawkers with well-established trading arrangements with retailers and wholesalers managed to locate themselves inside the market complex. However a large number of hawkers dealing with vegetables and fruits were forced to move onto the different pavements in the ward. As the urban economy grew, these groups were joined by new hawkers trading in plastic items, household items, textiles, leathers etc. With the loss of wholesaler's support, pavement hawkers formed associations to enter into agreement with lower level employees of BCC and the Traffic police to secure their claims to location on the pavements. Much of this centred on a well-organised system of bribery that is claimed by locals, went high up through the system. The pavement hawkers claim that they used to pay five street policemen, one-station house policemen, and the assistant sub-inspector, a crime branch police and two corporation peons. This is in addition to the fixed bribe that is paid to the police and the BCC officials. The bribe amount negotiated on the area occupied by the particular hawker groups. The area is calculated on the basis of the number of stone slabs occupied by each or a group of hawker. Here, each hawker is allowed to occupy a stone slab measuring the size of a gunny bag (50Kgs). Within this one slab, sharing it with others is left to the hawkers. In addition to all these officials the hawkers also pay those that have taken parking tenders. The bribe amount paid is as follows:

#### **Bribes Paid by Unorganised Hawkers**

<b>Police Traffic</b>	= Rs. 15 (5 xRs3 for each shift. There are three such shifts in a day and in one shift there are 3 constables. (Rs5 x3 =Rs15).
<b>Corporation official</b>	= Rs5 per person (two shifts or one shift)
<b>Sweeper</b>	= Rs2 per person
<b>Subinspector</b>	= 50Rs weekly
<b>Local dadas (Strongmen/ women 'leaders' of the un-Organised hawkers)</b>	= 50Rs weekly
<b>Minimum payment</b>	=22 Rs per day and 100Rs weekly)

The bribe amount paid by the hawkers depending on the level of organisation among them. The amounts indicated above are that of unorganised hawkers. In such cases the amount is not fixed and varies depending on the number of officials visiting the area. The hawkers pay directly to the different officials. Some hawkers have organised themselves into small groups along their areas of operation for routing the bribe amount. The bribe amount paid is fixed. The payment made by an organised group of 100 pavement hawkers in Market is as follows:

#### **Bribes paid by 100 Hawkers organised via associations**

<b>Morning shift</b>	
<b>Corporation peons =</b>	80Rs per day
<b>Police (corporation) =</b>	40Rs per day
<b>Station police =</b>	40Rs per day
<b>Total =</b>	<b>160Rs. Per day</b>
<b>Afternoon shift</b>	
<b>Corporation peon =</b>	80Rs per day
<b>Corporation official</b>	Rs 40 per day
<b>Crime police</b>	Rs.50 per day
<b>Local station Police</b>	Rs.40 per day
<b>Traffic police</b>	
Rs.40 x 2 shifts =	80Rs per day
<b>Assistant Sub Inspector</b>	Rs.40 per/day
<b>Parking space contractor</b>	10Rs per day
<b>Total amount paid</b>	

<b>For second shift</b>	<b>=340Rs</b>
<b>Total bribe amount per day</b>	<b>=500Rs per day</b>
<b>Weekly / Monthly payments</b>	
BCC officials clearance squad	= Rs.200 per month -
Local station sub-inspector	= Rs.50 per week.

**Night shifts:** In the night shift, the crime police collect more money than is indicated and there are no corporation officials. The hawkers claim that this payment is erratic.

*The important thing to note is that the bribes paid when the hawkers are organised via their association is much less than when they pay individually. In the association, the bribes are routed via a leader. Pushpa is one such leader representing 100 hawkers. Her family has been hawking in the market area for three generations. Pushpa is a footpath vendor in the KR market area. Her role is a link between the BCC and the vendors to ensure that the hawkers are not harassed, the bribes move smoothly, and perhaps most important, the hawkers can locate where they have maximum access to customers. Pushpa usually collects Rs5 in the morning from each hawker. On the day of our interview with her, she had collected for one shift Rs, 500. On some days, there may be more than three policemen in the first shift. On such days she collects additional amount varying between 3Rs and 5Rs for paying the second shift amount. The balance amount is kept with her. Pushpa also maintains a notebook in which she records the daily collection and balance after payment of bribes. The balance amount is accumulated and spent on a temple festival in the ward. The organised hawkers choose a leader among themselves who is vocal and also has some clout in the local political structure and connections in the BCC. There are other hawkers groups who rely on local dadas (toughies) to act as their leader. The local dadas collect marginally higher amount than in the case of Pushpa's group. Kannamma, a powerful 40 year-old woman is one of the local dadas in the ward. She has between 50-60 women hawkers. Kannamma has a strong personality and is able to 'give back' to the police in case they act tough with the women hawkers<sup>71</sup>. Her reputation is such that even the police collect the routine bribes from her 'secretary' and not directly from her. This leader must also have the capacity to deal directly with institutions especially police. Having a tough and efficient leader is critically important as explained below.*

*The pavement hawkers claim that before the flyover construction and the market complex, for an investment of Rs.100 per day, they earned between Rs.150 to Rs.200. After the urban renewal, this has now reduced to between Rs.60-80 per day. Also, they are also no longer sure of the possibility of doing business on a regular basis. Police harassment has increased and so is the bribe amount paid to the lower level corporation inspectors. At the time of the study our team witnessed one such incident of police raid. A few minutes before our arrival at the scene, a policeman thrashed one of the women hawkers and collected Rs. 25 in the morning. We also saw in front of us, a poor person buying vegetables from a hawker adjacent to the women hawker being beaten up and being spat upon. Later in the afternoon, when we passed that location, we found that the Sub Inspector came once again, objected to the trade, seized the goods and thrashed the hawkers. Our team members met the woman who was beaten up earlier that morning three hours later. She was still waiting with her basket, hoping to do business in the afternoon. She hoped that a new policeman that would come in the afternoon would allow her to do trading. We found that this was now the norm, where hawkers like her were raided in the morning, and waited for the change in shift in the afternoon to undertake trading. Thus, half the day was spent with no business and if anyone tried to buy any of their wares, they risked being beaten (like the person we witnessed)<sup>72</sup>. However, there are days when hawkers have to wait till late evening for starting their business. They claim that prior to the flyover construction and the new market complex, they were earning between Rs.150 to Rs. 200 and at times, between Rs. 200 to Rs. 250. This has now*

<sup>71</sup> When we met her, she was initially very aggressive and took us to be part of an NGO that had intervened to reduce the bribery. As we shall discuss later in the text, the NGO efforts had backfired with the bribes stopping temporarily for the period the NGO was active and their International conference, but renewed with vigor at the end of the period.

<sup>72</sup> There was little or no effort by the NGOs to resolve this basic issue. On the contrary, the hawkers initially thought that we were part of the NGOs and were quite hostile to us.



*reduced to Rs.60 to Rs. 80 per day. Also, the un stability in business is a serious issue. According to one of the hawker leaders:*

*In the past, for an investment of Rs. 50, I was able to earn a profit of Rs.60 after all the expenses. The bribe to the authorities used to be Rs.2 and 0.50p respectively for the police and the BCC officials. Now the bribes paid are Rs.5 per vendor for one shift a day. Each vendor has to pay for three shifts. This is in addition to the weekly bribes to the Sub inspector. The police increased the daily commission (Mamul) from Rs 5 to Rs.10 arguing that the shopkeepers are paying rent to the corporation which the foot path vendors do not pay. Also, sales are no longer guaranteed. There are days when I return back home with no income. Now if I invest Rs.1000, I earn only Rs 150 after two days.*

*For instance, Mr. Kamraj is a fruit hawker on the pavement outside the market and living here for the past 25 years. 1990 onwards, he started his own business. In the old market, if he invested Rs 500 he would get Rs 100 to Rs. 200 as a net profit after meeting all the expenses (such as food and bribing the officials). Bribes in those times were lower for the police and BCC officials - Rs.1 to Rs.2/. At present, this has worsened. On the day when interviewing him, 15th March 2000, he invested Rs.500 and by 11.30 am earned Rs. 50. Out of this he paid Rs.10 to the police and BCC officials. Later in the day there was a police raid and business got disrupted. While it is also true that there were fewer sellers then and more buyers in the old market, he feels that he led a comfortable life before the new market was constructed. He also feels that other pavement hawkers too have been affected and are no longer sure of a regular income. In January 1999, when we first visited the market ward, the hawker's problem had just begun. At that time, the frequent raids meant that they were allowed to conduct trade for two to three hours in a day. By March 2000, we ourselves saw that the problem had worsened with an increased frequency of police raids, hawkers getting beaten up and their stocks destroyed. The police raids were mainly to clean up the area in preparation for 'inspection visits' by high level administrative or police officials<sup>73</sup>. Various trading groups whom we met consistently claimed that the urban renewal project had seriously reduced their incomes. On the whole, the economic environment has become tougher, although some particular jobs like head coolies earn more per round of load. However, their lives too were also more unstable.*

*Thus the issue here is not the bribe amount but the disruption and un-stability as a consequence of the police and BCC officials 'getting out of hand'. According to one of the hawker leaders, every now and then, under orders of their senior officials, the police along with BCC officials raid the area. Goods are spilled all over and some destroyed in the process. The police confiscate whatever goods they can lay their hands on. The hawker would then have to go to the police station for retrieving their goods and also baskets etc.. These goods are released only on payment of fines and the bribe amount. A hawker would pay Rs.50 towards fines and additional Rs.50-100 as a bribe. If the material is seized in the morning, the hawker has to release it by the afternoon. Often, the goods are stolen. Thus even if a hawker pays the fine and bribe in time, he can get back only half the merchandise. By the time the goods reach the police station, half of the goods would have been distributed among the duty police and others. Hawkers have to wait for the seized staff to finish their shift for releasing their goods. Sometimes, if the seized goods were of higher value, the police would refuse to release it. If the fine were not paid by afternoon, then the goods would be auctioned out in the police station. A hawker takes*

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<sup>73</sup> These visits are part of the efforts to improve the image of Bangalore as a place for high tech investments.

*back his own goods on paying the auction amount. Besides, difficulty in conducting trade hawker suffers heavy losses because of such frequent and erratic police raids.*

According to one of the unorganised hawker groups, if the amount is not paid or falls below the target amount, then the police books petty cases in the month end. If the police and co-operation staff feel that they have not got their share or bribe for the month. They would book a petty case against the vendors and impose Rs. 100 fine. If he does not pay fine he will be produced to the court and as a consequence there is no income for the day. Petty cases are common in the market at the end of every month. Both men and women vendors try to sort out the petty cases in the local police station by paying the bribe amount. Sivagami, one such unorganised hawkers stated that booked under the police case for two to three times. If booked under a petty case, a hawker has to pay a fine. Besides the fine, a certain amount has to be paid as a bribe. This amount could vary between Rs 200 to 2000 depending on the clout and capacity of hawkers to resist police verbally. This amount has to be paid within a stipulated time, failing which the case would be transferred to civil courts.

Hawkers, especially women, as far as possible prefer to settle the case at the local police station by paying bribes. Women hawkers in addition to losing their business, face an additional problem of social stigma. They are tried in the same court as prostitutes and kept in the same room. This affects their status and reputation within their home and community. Hence they prefer to pay bribes and settle the case in the local police station itself. Failing which, they pay Rs 100 to a 'proxy' to appear in the courts. There are men and women who specialise in such court appearances in the Market. Women hawkers pay them Rs100-150 and also some extra amount to the police. The police are also aware of this arrangement but do not reveal the identity of the proxies in Court. Thus, in all this system, the issue is not just the bribe amount but the fear of legal entanglement. Apparently the chances of getting booked under petty cases is quite high among the unorganised hawkers. Hence most vendors try to be part of an organised group. When a hawker belonging to an organised group is caught the leader or the local dada having good contacts with the police would help in retrieving the goods. Also, the bribe amount is said to be relatively less. This is because most leaders enjoy the support of political representatives. Pushpa for example, is a local Congress party functionary. Kannamma works for the BJP. The leaders seek political intervention in situations where they find it difficult to deal alone.

There are several other examples of the way this urban design project set off local conflicts. One is between outside traders and pavement hawkers. Until the construction of the elevated roadway, the relationship between the two groups was cordial. The space over which the flyover stands was once brimming with hawking activities in vegetable, fruits and flowers. Located along a crowded pedestrian route, hawkers had enormous business opportunities. Abutting the hawking space, jutka (horse cart) drivers used to park their vehicles, horses, and feed. Thus, these various types of activities

have evolved over time claiming space via a complex of negotiation, developing functional relationships and also political alliances. All this changed with the construction of the New Market and the elevated roadway.

The hawkers and jutka drivers were evicted on account of flyover construction. The evicted hawkers moved onto other pavements in the ward. Initially, some of the older hawkers accommodated the evicted group by restricting their own trading space. However, this was not possible beyond a point. Some traders initially allowed hawkers to trade in front of their shops and collected rent daily. This is also because hawkers usually store their goods in front of the shops. The most seriously affected were the Jutka drivers who lost their parking space. During the flyover construction there was a ban to park their carts and horses inside market space. The drivers went on a strike and were subsequently allowed to park in the existing parking spaces. However, the parking space is now given on tender to private parties and they do not allow the jutka drivers to park their carts.

Some of the retailers locating on the external side of the market started to argue that the new location of the hawkers reduced the number of customers visiting their shops. Like the inside traders, they bribed the police and BCC officials to remove the hawkers. The project also resulted in different retailer groups to form separate alliances with lower level bureaucracy and traffic police. They were able to pay higher bribes to remove the hawkers. This act also allowed the police and the lower level bureaucracy to demand higher bribes from hawkers. The important trading groups too sought the senior officers of the BCC to intervene to implement the extensive parking space. They knew that this would effectively force hawkers to vacate the space. The hawkers, already weakened politically, could muster up little resistance to this development. Thus several forces aligned together in dislodging hawkers from market.

The above box highlights the drastic consequences for hawkers on the street front – in effect the easiest entry point for the poorest among them. We now look at the consequences of this project for hawkers and traders locating within the Market complex and highlight what their issues are.

### ***Box 25: Urban Design Projects: Renewal or Removal?***

The hawkers outside the market complex claim that the world is more stable for those located within the Market complex. However, while the latter do not face problems from police, they still have to deal with Corporation Officials, and claim to have less business than those outside. The 'inside' hawkers also rely on local *dadas* or leaders for this purpose. Every week, the inside hawkers pay a fixed amount to local leaders. The local leader deals with BCC official. Sometimes, traders assist hawkers in building contacts with such local leaders. Hawking space is also transacted between hawkers via such local leaders.

The relationship between the leaders and the traders /hawkers is quite complex. Apart from their role in ensuring a safe place for trading, the hawkers depend on leaders to access finance. For example many do not have saving in *chits*. The private financiers require guarantee for lending to traders with minimal contact. Here again the small hawkers and traders depend on their leaders for an

introduction and also at times to stand surety for their loan finance. The urban designed projects resulted in shrinkage of space available for hawking.

An important impact on hawkers is the conflict within the trading community spurred by territorial changes due to urban renewal. The older market here was structured around distinct courtyards in a rectilinear form. This provided specific hawking and trading areas for particular commodities. It also provided for service and a dock for un-loading and loading. It was certainly not perfect but the various economies had evolved around it in an incremental way over time establishing working relationships. After the re-construction of this complex into a multi-storied building, these relationships and space allocation was all disturbed. The decline in business in general spurred local conflicts, and there was a desperate attempt to improve business. When we visited the complex different groups of traders poured out their anger and grief and rife with accusations against the government, the contractors, their own trading community and the hawkers. One group involved in the iron trading argued that the hawkers should be moved to another place. They also wanted more of the urban renewal to happen and the old buildings surrounding the market complex be demolished as soon as possible. This would allow for trucks to come in for loading and un-loading of heavy items. They also felt that they should be allocated the space on the ground floor now being occupied by the whole sale flower vendors and hawker retailers sitting on the floor. These traders also criticised the hawkers that they used the space allocated for vehicle parking according to the Master Plan. They claimed that at least half of the proposed parking was occupied this way.

Inside the complex on the ground floor, we witnessed the intensive hawking of flowers and their support by the wholesale flower merchants located in the stalls nearby. It was obvious that they had 'occupied' the most important space and in-effect pushed the ironmongers to the higher floors. However, here too there were conflicts. A majority of hawkers inside the market sell flowers and vegetables. These 'inside' hawkers usually trade in front of a group of retail and wholesaler located in more established stalls. Apparently, the stall owners only allow those hawkers who purchase materials from them. For example, hawkers in flower business would buy flowers from the stall owners, tie these into garlands and sell them. Alternately, hawkers with less capital would purchase flowers from the wholesalers on credit and sell it to retail customers. The hawkers inside the complex complained that unlike them, the hawkers locating outside on the pavement have an assured clientele despite the cost of the bribes and police harassment. They argued that unlike them, who to locate in the enclosed courtyard of the market had to buy stock from the traders, the hawkers outside do not have any functional relationship with specific traders. This allows them to sell at a cheaper price as they purchase their goods directly from Kalasipalayam – the wholesale market for flowers and vegetables.

In other parts of the complex centred on the vegetable trade, both established retailers at the stalls and the hawkers on the floor

viewed the hawkers outside the complex as their main problem. They claim, with some truth, that a main reason for customers not visiting the complex is that they find it easier to trade with hawkers outside rather than entering into the complex. The goods are cheaper there - due to the fewer overhead. They again claim that retailers inside the complex have to pay high rents and property tax. Our attempt to compare to what extent this is offset by the increased bribery is unsuccessful since the issue is presently highly emotional. The conflicts set-off are so intense that one group of squatters aligned with traders in pressuring BCC to remove the outside hawkers - one of the grounds being they illegally occupying the proposed parking lot. Another group of traders also bribed lower level officials of the corporation to remove the hawkers outside the market area.

***Impact on Traders:***

*The impact of the project on the various trading groups located here has been equally serious - and still remains a contentious issue between the BCC and different trading groups involved in it. The complex was planned to accommodate retailers and other traders such as iron merchants, hardware shops, general service, packaging shops. It was planned in three levels - to accommodate 1210 shops - 503 shops in the basement; 494 in the Ground floor and 213 shops in the first floor, with provisions for car parking. It is not as if the market complex has actually increased retail space. Almost all of the upper floors are empty - the building a vast empty shell, the basements prone to serious flooding<sup>74</sup>. The space that was available outside the building is now allocated to a huge parking lot for a future connection from the elevated roadway. The image is of a super market - a person zipping across the elevated roadway and driving down to the market complex, shopping, and then off again. This is completely different from the essential wholesale functions that characterise the specialised trades that have evolved here over a hundred years.*

A unanimous complaint of different traders inside the New Market complex is that their incomes have halved ever since they were moved in. They have responded in different ways. Some groups made internal arrangement for safeguarding the business of members located in less profitable locations. An example is the bamboo traders. Around 10 bamboo shopkeepers were allocated space of which 9 of them were along the main axis. The nine thus enjoyed easy accessibility and visibility. The tenth however was located on the rear end. In order to allow the tenth to earn an income, the other nine shops are closed on Sundays. However, we found such arrangements to be rare and in most cases not feasible - either due to the intense competition reinforced by the falling margins and also due to the spatial arrangement. Our impression is that most retailers use the shops as storing space and have opened a side business on the pavement. There are also some who have leased their shops and moved to other areas, and there are also those who have closed the business in the market

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<sup>74</sup> In our critique here, we do not address the more technical ones but focus on the substantive institutional ones. There has been serious criticism of the New Market in terms of its quality of construction. The site on which the market complex stands was once a lake and hence low-lying. In the recent monsoon, July 2000, the basement was totally flooded with 10 feet of water. It took one week for the water to be pumped out, but another bout of rain flooded the basement once again. The only people who profited from this was those contracted to supply the pumps for the process. The lower levels occupied by the flower sellers and fruit vendors were completely inundated. Trading could not be conducted for ten days. There were also complaints about the quality of construction, the lack of lighting and infrastructure in the market complex. At the time of this study we observed that most shops in the upper floors and lower basement were empty. There is a complaint from the traders that it is turning into a den for antisocial activities.

and not paying any rent. All this has ultimately affected other trades and services since most trades are interlinked to other local economies. Several reasons are attributed to the decline in trade.

*Many shops do not have proper visibility. Most traders feel, unlike in the old market, the boxing of trading activities in multilevel complex has cut off their access to floating population. This was important since this group formed the bulk of the customers especially for retailers and the hawkers. In the old market complex, the shops were located along the pedestrian route and shop organised around a central courtyard allowed for customers to move around and also provided visibility to the different shops. A second problem is the lack of direct access from the main road. Those in the upper floor claim that their suppliers are refusing to trade with them due to difficulties in transporting the merchandise. Customers too do not take the trouble to visit the complex. Instead they prefer to shop on the pavements and small shops outside the complex. Further, unlike in the old market complex, all the shops do not have enough visibility. Traders also face difficulties in transporting their merchandise. The situation of tool merchants is a case in point. Ever since they moved into the complex, they face problems in ensuring regular supply of materials, as their suppliers refuse to bring the goods to the upper level. The suppliers apparently complain about having to transport the goods manually over a long distance. As there is no parking space in new market complex, the incoming vehicles have to be parked in an adjoining road. The traders are also constrained as goods can be brought into the market only in the late evening.*

There are problems of carting heavy loads from the upper level to their parking space. For example, tool merchants lost many of their customers due to difficulty in transporting goods. With the springing of hardware shops in the new localities, they avoid purchasing iron articles from market complex. The tool merchants claim that many hardware shops are closed due to lack of business. The association submitted a letter to Chief Minister to shifting the shops from first floor to ground floor. The suppliers of the tool shops (factories) have written to the government for re-allotment of shops in the lower level. According to one of the traders in the new market complex:

In the old market, we used to have a business turnover of Rs.20,000 to Rs.30,000. Ever since we shifted into the new complex, we find it difficult to even have 10% of that turnover. It is one year since we moved into the complex, but still we have not procured any new stock. We just want to clear the stock and close the business in the complex.

Another issue relates to smaller retailers of general merchandise. They complain that they have also lost business arising out of the clustering of shops that they enjoyed in old complex. Previously, wholesalers and retailers of various sizes and trading in different merchandise were all located together in close physical proximity. Although congested, this diversity attracted a large number of client come to this location and also do other shopping in the process. The dispersal of wholesale markets to different localities adversely affected these kinds of smaller traders. The New Market complex does not have a critical mass for providing business opportunities to such smaller range of retailers.

The traders are particularly upset and resisted moving into the complex also because of increased rent of the their shops. In the old market the traders were paying an absurdly low rent varying between Rs 30 - 40 and Rs 15 - 175 per month. The rent in the New Market complex is fixed at Rs 21 per sq.ft which amounts to Rs 2000 for a

shop measuring 100 square feet. If a trader is renting his shop from an 'original BCC allottee', then he has to pay another Rs 15 per square feet (Rs.21+15). In addition, the BCC collects an advance amount ranging between Rs. 25000 to 30000<sup>75</sup>. Here again, the rental rates are said to be varying between Rs.19-21 per square feet. Besides, shopkeepers claim that they have to spend Rs15,000 to 20000 for renovation due to the poor quality of construction.

The following table summarises the impact of mega projects on retailers and hawkers in the market.

Actors	Before the implementation of Mega Projects	After the implementation of Mega projects
<b>Retail traders</b>	<p>More business transactions due to clustering of wholesale and retail business in one place.</p> <p>Access to different clientele group - especially the floating population in the market.</p> <p>Low rents.</p>	<p>-Not even 10% of previous sales transaction is taking place.</p> <p>- No security from 'anti-social groups' and no parking.</p> <p>- Sharp rise in rent and also lump sum amount required for advance.</p> <p>- Clientele limited to regular customers mostly the bulk buyers. The majority clientele of small buyers are cut off.</p> <p>-Whole sale shops increased from 108 to 300.</p>
<b>Hawkers</b>	<p>Income = Rs.150-200 after food and bribe expenses.</p> <p>Fewer hawkers in the ward</p> <p>Low cost of trading due to Less police harassment and clustering of businesses under a single roof.</p> <p>More business opportunities partly due to clustering.</p>	<p>-Carries home between Rs. 50 and 80/- daily (after bribing).</p> <p>-Increase in competition among the hawkers pushed out from other locations.</p> <p>-Increased competition with retailers and consequent conflicts.</p> <p>- Less business (previously all the markets were situated at one place but it is situated to different place) due to spilling up of markets.</p> <p>- Increase in the cost of trading due to erratic police raids and BCC raids. Hike in the cost of bribes.</p>

<sup>75</sup> This was subsequently stopped after, after trading groups made a representation to the then Bangalore development minister and got it annulled

<b>Coolies</b>		
<b>Shop coolies</b>	Organised and negotiated for income with shopkeepers.	No significant change
<b>Head-loader</b>	Fluctuating income dependent on floating population.	Increase in income due to dispersal of markets since the hawkers now depend on them.
<b>Market coolies</b>	Income stability for those connected to particular shops. Those not connected depended on floating population - unstable incomes.	Initially, a decrease in income and opportunities for shop coolies. However, most moved to be become head coolies where they can charge more but face unstable incomes.

The regressive impact of the urban renewal project on some of the major economic groups is very much evident from the above discussion. Urban renewal is not just an architectural statement of de-congesting and planning a city, but relates closely to the way space functions as a setting for economic relationships. One outcome of this analysis could be that the simpler form of the previous market was more appropriate as a physical model of a market place. However, while this has some truth in it, it would miss the central point: Space in the previous case was appropriated and claimed by different economic agents over time in an incremental way. These groups adjusting and re-adjusting their territories as their local economic, political and social relationships evolved. 'Claiming space' in this process of settlement has been in parallel the evolution of a particular economic setting. It is this dynamic that provided the older city market with its ability to cater to a wider range of groups. Conflicting interests were probably sorted out via negotiations or even by simply 'being there'. Thus, a key aspect of land in such contested territory is not specifically the physical dimension but rather in the evolution of a diversity of tenure regimes that allow for a diversity of economic processes to take root. Land issues are central not only due their physical characteristics but as a setting of claiming territory that is bound on four sides by social conventions, ethnic relationships, economic and functional links and political power.

In contrast, the New Market fails as a location to be accommodative of different groups not because of its poor quality of construction or physical form. Rather it fails to provide a setting where competing and contested territory can be resolved via negotiated, where development can be incremental and allows for a greater diversity of tenure regimes. On the contrary, we see the emergence of serious conflicts within the groups and their inability to come together to form unified resistance. In the next part, we focus more closely on the politics of the situation. Our question starts from a query: While at one level, Azad Nager and the Market seem to be so similar in terms of the ability to have economic openings for poor groups, what is it that makes them different? Why is it that interventions like the New Market could happen here but we thought that they were more difficult to visualise in a neighbourhood like Azad Nager? Is there a link between the way space can form an 'inclusive setting' and larger political processes and institutional relationships? To understand this more accurately, we draw upon our insights from Azad Nager.



### 3. LOCAL POLITICS

The urban renewal project of the New Market and elevated roadway project has been one of the most important milestones. In this section, we use that event as a tool to understand and unravel the structure of local politics here. We also draw upon in this process, our insights from the Azad Nager / Valmiki Nager case in a comparative way to further ground the issues discussed.

In the case of Azad Nager, we argued that the complex ethnic and economic links between different groups helped to open up space for poor groups to consolidate their economic and political interests. At the same time, the need for political agility excluded the poorest and the newcomers into the city. In contrast, the diversity of economic processes and ethnic relationships in areas like KR Market has allowed even those with less political clout to start off and consolidate an economic base. If these areas form relatively open entry points for poorer groups as compared to Azad Nager, presumably these would also result in poorer groups (especially the richer among them – the smaller retailers for instance) to accumulate some political power. How is it that the BCC out of all organisations was the implementing agency? Would not local leaders like Kannamma and Pushpa use the political system to subvert interventions like the New Market? If this has had such a drastic impact across different economic agents, what are the factors that fractured their political clout? The limitation of time restricted our efforts to address these important questions in their entirety, our investigations reveals some useful pointers and tell us something about the opportunities and limitations of political and economic support systems in this part of the city. There might be several explanations to the above questions.

The first relates to the level at which an intervention is pitched. We had earlier suggested that the efficacy of local groups (with leaders such as Kannamma and Pushpa) relates closely to the relatively ease of entry and ‘flexible’ of the lower level bureaucracy. This seems paradoxical in the context of the extensive corruption that we described involving the police, the local leaders and corporation officials. We feel that the main issue is one of institutional access rather than one of ‘corruption’. This focus on access seems critically important since space in these central city locations is perhaps the most valuable and highly contested. For instance, the power relationship that emerges between hawkers acting individually versus hawkers organised as associations to ensure that pressure can be generated via political contacts is one that seems to make a difference. In a similar vein, we had suggested the complicated reciprocal relationships between hawkers, coolies, and various groups of traders in poorer groups claiming locations to sell their wares or for shelter. Here, the way these alliances (echoing those in Azad Nager) institute access to productive locations is of key concern. Similarly, a councillor driven licensing system for hawkers as mentioned later in this section that helps them regularise their locations of hawking merits attention. We had shown in the first phase report how very small activist NGOs involved themselves (under local pressure rather than being program driven) to reinforce the de-facto of single women-headed families living on shop terraces. This involved complex strategies playing between councillors and MLAs. The politics of such processes certainly merits attention. There are contrasting situations also important to understand. For instance, an intervention by the NGO coalition aiming to stop bribery in the Market area and pushing for hawking zones. The point here of interest is hardly the morals but rather why this process was promoted when it was quite obvious that it would reduce the access of squatters to the productive locations that they occupied prior to that intervention.

#### **3.1 Instituting exclusivity: The Planning of Urban Renewal**

We argue that one of the key issues why urban renewal has had such regressive impacts because decision making was at a level totally divorced from local society, is an issue of institutional access. Urban renewal as an approach of city management was implicit in the master planning approach that started in the late 1970’s with institution of the BDA. While initial efforts focused on de-congestion, in the mid-nineties, this had taken the form of promoting ‘infrastructure development’ via ‘mega-projects’. This transition significantly, also related to an institutional change. Rather than the BDA, the main player became the KUIDFC -- a super development funding agency instituted by the State Government specifically for large scale mega projects, drawing on dedicated funds from central government organisations like HUDCO. Just as the BDA has little or no local representation, the KUIDFC is even more divorced from local pressures.

Secondly, the funding requirements for such projects come with the specific condition that these are not to be

used for routine municipal investments. With declining development funds, the city council has few other options but to apply to such funding. In any case, the council is merely a rubber stamp since as a technical decision, it is the commissioner who chalks out such investment plans. This institutional process is thus only municipalised in name, since it is directed by the highest offices of the State Government<sup>76</sup>. As one of the authors of this report has argued elsewhere (Environment and Urbanisation April 2000), the State level political circuits are all important in decision making promoting mega projects. This brings both monetary and political benefits to local politicians: Those corporators toeing the Party line can partake in the significant economic kickbacks that are part and parcel of such civil construction projects. Their movement up the political ladder is also assured due to their demonstration of party loyalty. In this situation, their need to respond to local demands by smaller traders or leaders like Kannamma is obviously diluted. Para-statal agencies like Development Authorities and more powerful ones like the KUIDFC influence party compliance in another way. Supposed to be headed by an 'elected official' these posts become handouts given by the State's high command to those politicians who not only are not from the constituencies where these bodies have jurisdiction but need not be elected in the first place! For instance, the ex-chairman of the BDA (The present one is the Chief Minister himself) was a MLA from a completely different constituency and had lost elections. The post of chairman was a key strategy by the party to keep him 'alive' in the system. If it is not in the para-statals, then there are also opportunities in the council since five in addition to the BCC's 100 councillors are nominated by the state government. If not in Bangalore, then there are similar possibilities in any of the smaller municipal councils where it is again five nominated, this time within a much smaller council ranging between 30 and 50.

This situation is reinforced by the loose technical norms that structure such projects. This is hardly surprising since the fundamental technical rational that underpins Master Planning (its definitions of land use, density, by-laws and regulations) is problematic. More important, as we shall discuss in some detail later, the rational basis for land acquisition and public interface is nebulous<sup>77</sup>. The issue here however is not one of the technical misfit. As we argued in the first phase report, the centralised level and form of planning and administration that promote such projects are easily influenced by elite groups more easily than other groups. It is a relatively simple matter for them to ensure those technical norms, decision making legitimately benefits them while criminalising alternative processes that threaten this system.

We had mentioned, in the previous section, that these projects co-relate to the priorities and requirements of the private corporate sector. This is not a mere co-incidence. Since para-statals are under the State government, their policies are open to influence by the private corporate sector who have direct access to the political and bureaucratic elite at the level of State and National government. Also, these projects involve massive doses of money to spur enough possibilities in a centralised way to route kickbacks. These kickback related finance flows moving rapidly up through the municipal system into the party circuit. If the same amount of money were being spent on civil works of a more decentralised nature, the impacts would be quite different. Say, the construction of numerous small drains under pressure from an alliance of a group of small shopkeepers and also hawkers facing flooding every monsoon. Here, the kickbacks related to the civil construction would move through

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<sup>76</sup> Given this situation, it seems ridiculous that municipal finances are critiqued only internal to their organization by 'governance NGOs', senior administrators and the like making the municipal council and the councilors into a 'whipping-boy' with little or no mention of these Central / State flows. We agree that it is very complicated and difficult to get such data – as we ourselves experienced during this research. However, there is little mention of this situation as an issue of concern. This form of municipal finance analysis becomes absurd and even more suspect when funding for such research comes or is sponsored by the State Government.

very different institutional circuits within the municipal government. For instance, in the case of constructing drains or footpaths, in tracing the route of bribes paid, much less would reach central party circuits. Consequently, such projects will be less effective in ensuring political compliance of local traders, hawkers, and political agents.

One could thus argue that the amount of corruption would be less, due to the strong local social control if projects were more municipalised. However, since the issue is one of corruption of a political nature and not surprisingly, highly institutionalised as access to mobility up the political ladder increasingly defined along party lines. It is hardly surprising that National level parties facing increasingly coalition politics and ‘unruly behaviour’ from local councillors, mayors and presidents from within their parties at the local level, should promote dedicated funds under HUDCO, a central government financing institution under the banner of infrastructure funding as ‘mega-city projects.’ To reinforce the State control, the main clause these vast funds come with is that such projects should be of a mega scale and of a nature that would conventionally not be funded via ‘municipal sources.’ There are not too many choices technically -- large elevated roadways (Bangalore is said to need 30 more), mega shopping malls, multi-storied parking lots to reduce congestion with shopping below to make them economically viable, airports, and ring road expressway

Our intention to highlight this institutional problem is to reinforce the larger political issues within which urban renewal projects are framed and also feed into. Local groups (not only about hawkers, but even smaller retailers) have little access to these institutional circuits that promote such approaches. Such circuits and projects do not fit into that level of bureaucracy and politics that local leaders like Kannamma and the trade associations are used to dealing with: The world of lower level officials, councillors, local political workers, touts.

### **An alternative scenario?**

To contrast the urban renewal approach, we would look for an alternative:

- a) A physical form ‘convivial’<sup>78</sup> to activities like hawking and one that allows for incremental development and the evolution of a local economy;
- b) Land settings that accommodate and allow for diversified tenure regimes;
- c) A politics that underpins and reinforces institutional access by local groups especially the poorest of hawkers;
- d) A system of funding development where finance mobilisation is linked to investment at least in part to local priorities;
- e) A planning process which is underpinned by civic engagement where ‘technical norms’ evolve via debate.

The above may not be too hypothetical. For instance, it is not too difficult to visualise an alternative that at least partly addresses such an agenda. For instance, if the Municipal Corporation had chosen to take the path of upgrading the older market (possibly adding another floor) developments here might have started along a different path. Instead of putting money into the massive overhead expressway, the existing bus stop better

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<sup>77</sup> This point, by way of technical analysis has been shown by several scholars of the Indian Institute of Public Administration, including an ex-vice Chairman of the Delhi Development Authority.

<sup>78</sup> I draw on this term from Ivan Illich’s ‘Tools of Conviviality’ and Lisa Peattie’s ‘Convivial Cities’ mimeo.

organised with specific loading docks and rain shelters a much larger number of people would have benefited. This could have also included a system of solid waste disposal centred on the valuable organic waste from the vegetable and flower markets – as has been carried out in a self-sustaining way in other cities. One can also build up a series of arguments to show that the older market had evolved sufficient associations and organisations in place to facilitate a planning process built on negotiation to decide the exact form of upgrading. The older market has a system of *octroi* – a toll for goods being brought into the market premises. This was listed as a separate head in the municipal ledgers and partly utilised for the up-keep of the market. Such a local financing system could be reinforced and used to form a local development fund. Such efforts have happened in a low-key way in several places but rarely documented. A fund collection if linked to a listing of group contributions and their locations would have a double effect of reinforcing the legitimacy of local groups including hawkers. Reinforcing de-facto claims could be achieved via other in-direct but powerful mechanisms. For instance a system of licensing in parallel to listing existing locations and the particular group name. Collections here could also include group listings. It could also institute what political agents are already pushing -- a ‘holders khata’ which provides tenure of settlement rather than try and sort out the exact form of ownership. Such a planning process would obviously be messy, rife with public debate including perhaps controversy, largely municipalised, and perhaps not all parts fitting in to well with each other. For sure it would almost certainly not look ‘urban-designed’. In fact, the physical range of interventions might be actually quite mundane. Rather than the present ‘funicular shell’ roofs – marvels of contemporary engineering design that crown the present New Market, interventions in the alternative might be more in the form of getting a clean drinking water line to areas un-serviced, a proper drainage, the ground well paved and sloped to eliminate stagnant water during rains and the like. The alternative is likely to be one that is more responsive to the plurality and diversity of local groups and one that reinforced local autonomy and especially claims of the hawkers and loaders.

While the above paragraphs may be interesting to consider as an exercise of ‘alternatives in planning’, our intention is rather to raise a conceptual issue. One could argue, if one thought about the nature of political processes that would characterise such an alternative, that the KR Market would seem very closely associated with the range of developmental processes that we highlighted in Azad Nager. There would be some significant differences – the nature of land settings in Azad Nager are far more diversified and accommodative than what’s possible in the market area. Even then, the transformation of physical form can be quite surprising<sup>79</sup> – if the claiming environment is accommodative enough. Thus, even the physical form need not be a serious constraint but pointing to the politics of claiming. Our argument is the real constraint is a congruence of interests.

To understand this more clearly, we would return to the politics of the situation. We would argue that in the current structure of interests and competing governance circuits, the above agenda would hardly be an issue if not a serious threat. To put it bluntly, local revenue generation, which would also reinforce local political autonomy, is an issue which hardly expected to be taken lightly by political and administrative groups at the level of State and National government. Second, a system that reinforced local claims would seriously threaten possibilities for party compliance. For senior bureaucrats too, having to deal with a wider body of intensely politicised local level officials will be a nightmare. These too will ‘expand’ the lower level circuits and specifically subvert centrally instituted projects with their political objectives. More important, it will cut them off from the centralised routing of kickbacks at higher circuits since much of these funds will be diffused at lower levels. This will allow less to be routed through them to higher level political circuits and party coffers to facilitate transfers to politically hot postings. For large corporate NGOs, this situation too will be un-manageable – having to deal with empowered councillors. Perhaps more serious will be the threat to their own internal forms of compliance. They will also have to deal with more politicised field level NGOs charting out their own development agenda rather than the mandate prescribed by the NGO elite. Their own field workers will have

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<sup>79</sup> Benjamin has documented in detail the spectacular range of physical transformation that simple and mundane looking structures in Delhi undergo. These accompany and are spurred by economic changes and complex social negotiations between settling groups (Benjamin SJ, ‘The Transformation of urban refugee housing in Delhi, India: The case of Bhogal’ Un-published master’s thesis, Department of Architecture Massachusetts Institute of Technology 1985). Others too have showed this in a variety of contexts. See Wilkinson and \_\_\_\_ (?) Helwan worker housing Egypt, Works of John Habraken and his students at MIT in various cultural context: Greece, Middle East, China, South Asia.

distinct opportunities to evolve greater autonomy and develop their own working relationships including alliances with councillors, local leaders, local level bureaucrats, local associations diffuse compliance. All this will have very serious repercussions on the management of authority within the NGO structure<sup>80</sup>.

Perhaps the greatest threat of an alternative would be for the elite of the city. For one, the most productive locations – the urban centre, will have most contestants to deal with. Their support from the Master Planning system will fail on two accounts: First the inability to acquire land in the light of well consolidated local claims; Second its in-ability to declare alternative ways of development as illegal on ‘technical grounds’ thereby reducing the spectrum of wider public participation. Both of these could turn even more serious if all this helps to reinforce the productive efficacy of local economies and in turn their political clout.

Our arguments about a congruence of interest points to the second major reason why we feel that urban renewal could take root in the KR Market. We would argue that this is due to the difference in structure of claim making in the city market area as compared to those in neighbourhoods like Azad Nager. KR Market, like Azad Nager, is also structured by particular ethnicity-income links. However, the main ‘power centre’ in the market lies with elite groups controlling the major financial circuits. While this is also somewhat true of areas like Azad Nager, we feel that a critically important difference is the functional and political relationship of the elite in the market area to land interfacing local economies. In Azad Nager, we saw that the elite (of various groups) was closely inter-connected with different types of poor groups in complex reciprocal relationships. Much of these links related to land issues where the development of land as real estate and as a functional setting for local economies. These in turn depended upon the political clout of poor and other groups settling in, which complemented if not underpinned the political clout of the elite. This situation in neighbourhoods like Azad Nager created a sort of ‘bounded-ness’ since land development directly or indirectly shaped the financial circuits to provide surpluses to the elite. In the KR Market area in contrast, local claims to land as a binding relationship to the political, economic structures. We attempt to understand this argument in its entirety in the following subsection:

### **3.3 What makes the politics of KR Market different from that of the neighbourhoods of Azad Nager?**

There are several common themes in the local political structure in KR Market to that of Azadnagar – in terms of the multiplicity of actors. The key difference however lies in the power relationship between them. In Azad Nager, we suggested that the bargaining strength of poor groups in local politics be derived from the dialectical relationships between different political hierarchies. A fairly autonomous and empowered local leadership reinforces politics. This situation resulted in a complicated and dynamic ‘balance of power’ – closely linked to multiple circuits binding rich and poor groups and also cemented by the base of local politicians in the local economy. In contrast, the political structure of KR Market is centred on a loose coalition of several local leaders but subsumed by higher level party representatives, whose constituencies span across several wards, including some at the level of the State<sup>81</sup>. An important aspect of this coalition is the absence of significant functional or political ties binding different political hierarchies to local actors. Consequently, poor groups are linked to different political circuits with weak reciprocal claims. For example, most local leader

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<sup>80</sup> We will return to this issue in Section 4.

<sup>81</sup> It’s important to emphasize the strong party alliance in this. For instance, the MLA of Azad Nager too has a constituency across wards and is a significant player in the statewide politics. However, his rise in the political system was based on nurturing a local constituency.

capability is limited to the level of helping local groups to access private financiers and deal with the lower level bureaucracy. Although these leaders do enjoy the political support of mainstream parties they are in a relatively weak bargaining position vis-à-vis a MLA or a councillor. In comparison, their counterparts in Valmikinagar/ Azad Nager are active political competitors to councillors.

The second factor that weakens the position of poor groups is the lack of ‘rooted-ness’ from a land perspective in the locality<sup>82</sup>. Lower level actors in Valmikinagar and Azad Nager, the councillors and the local leaders, by dominating the political structure provided residents there with an edge in institutional negotiations. In contrast, in the KR Market scenario, with a relatively weak councillor system, poor groups have few possibilities to use and even build up a voting base in the ward. As discussed in the next point, higher level political actors shape local politics around strategies based on cross-ward alliances and interstate coalitions, which further weakens the councillor system. All this contrasts the vote bank politics of Azad Nager, which is centred more directly on local issues – especially consolidating de-facto claims to land and basic infrastructure improvements.

A third factor relates to a political climate pitched at the inter-ward and inter-state level. Local political strategies relate to complex form of ‘cross-ward’ political strategies involving higher level political agents at both an individual and also party level. These alliances exclude local councillors in any substantive way to weaken the bargaining power of poor groups. The emerging political structure is susceptible to inter party and intra party dynamics, which is usually not advantageous to poor groups. They are forced into playing a game around election time centred around the extensive purchase of votes, alcohol, being shipped to form the masses attending party rallies.

In order to fully comprehend the above three factors that underpin political alliances, it is useful to focus more closely on way poor groups claim locations in KR Market ward. There are very few squatter areas in KR Market, and even within these, it is mostly construction workers and ex-mill employees who live here. While these settled groups draw on support of local councillors, this means that for the majority of poor groups working in KR Market working as hawkers and coolies, have no

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<sup>82</sup> At one level, this may be as we discussed earlier, due to the structure of the land market. Unlike Azad Nager types of neighborhoods constituted by a variety of land settlement forms, the row shop-house typology of KR Market provides less flexibility for incremental accommodation. More important, they allow for a much ‘narrower’ and tighter claiming environment. For the poorer and middle-income groups, access to land has been either as hawkers on the pavements, to open up stalls within the relatively few open spaces. For the more well off – the retailers, it has been the shop frontage. These are not only physical spaces but reflect a particular form of ‘claiming environment’

direct claims on the system. This group stays in squatter settlements of the surrounding wards.<sup>83</sup> The box below explains this issue:

**Box 26: Cross ward politics and claims in a central city area**

*The KR market ward falls under the municipal election ward called Chickpet. The majority of Tamil migrant hawkers on the other hand reside in the numerous squatter settlements in an adjoining ward – Chamrajpet. This fracture in political claiming is reinforced by the fact that boundaries for legislative assembly elections of Chickpet and Chamrajpet also differ. Thus the hawkers in KR Market do not constitute the voting base of the KR Market ward councillors or the MLAs. During the 1996 election the Chickpet constituency, dominated by higher income traders and old residents of Bangalore, and elected a BJP candidate. The Chamrajpet constituency dominated by hawkers elected a Congress candidate. Having no voting rights in Chickpet constituency, the hawkers initially depended on the Chamrajpet Congress MLA to intervene on their behalf. This obviously was less effective and the situation made more difficult by the Party centred political system.*

*There was however other reasons that guided the hawker's choice in voting in a candidate. The BJP MLA elected from Chickpet is a construction contractor, whereas the Congress MLA from Chamrajpet owns a vegetable wholesale business in the Market. The latter's family has been involved in wholesale business in KR Market for over three generations and his father has supported a section of hawkers in accessing locations there. Moreover, this MLA is also has in-direct interest in the financial circuits that hawkers tap on. In parallel to this situation, another city level process influenced vote bank politics. In the Cauvery riots that took shock Bangalore in the mid 1980s, the Congress party is said to have protected Tamil groups that dominate the Hawking activity in the KR Market. Thus poor groups in Chamrajpet, form a loyal voting base for Congress party<sup>84</sup>. Both these factors also influenced the accessibility of hawkers' and bargaining power with the MLAs.*

*This cross ward-political alliance is also vulnerable to other large level processes related to vote bank politics at the state level, inter and intra party dynamics. Initially in 1999, hawkers depended on Chamrajpet MLA to intervene on their behalf. The latter was restricted in several ways - Firstly, there was pressure from retailers who also formed his voting base but opposed the claims of squatters. Second was the changing party governing the state. In 1996, when hawkers' problem first started, the state had a Janata Dal government whose economic agenda did not harm the small traders. In 2000, the present congress government is keen to promote corporate economies to attract investments. Despite the fact that the MLA was from the ruling part, he could not do much since these decisions were taken at the level of the Chief Minister. Besides the Congress Party is not particularly known for its internal democracy. Thirdly, there was the issue of 'territorial legitimacy' for action. The municipality implemented hawking zone was based on a ward-level jurisdiction, which made it difficult for an MLA to formally deal with the issue. A year later in 2000, as the issue prolonged, and the MLA was not able to stop hawking zone plan, hawkers were forced to approach the Chickpet MLA.*

*The willingness of local politicians - in this case Chickpet councillor and MLA to support hawkers' case depended on his/her position with in the party politics. Hawkers were able to establish contact with Chickpet MLA with the support of MLA of their residential ward since both of them belonged to the same party (BJP). Also the MLA of the Chamrajpet is said to be powerful within the party structure, and could organize a meeting between BCC officials and hawkers. The BCC commissioner attended this meeting. However, just like his counterpart in Chamrajpet, the Chickpet MLA, he too has limited influence over BCC's operational plans. This is made more complicated by the fact that the councillor*

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<sup>83</sup> This point raises an important issue in promoting home based enterprises since this would reinforce local level political claiming mechanisms.

<sup>84</sup> This has resulted in another paradoxical conflict. The near collapse of hawking activity in KR Market is a major issue in the political agenda of the Chamrajpet ward. However, it is the also the Congress Party heading the State Government that is providing a flip to urban renewal schemes and to make Bangalore into a Singapore.

*and MLA of KR Market belong to different parties. Thus, the former had to depend on party support to pressurise the BCC. The issue was also complicated as the identified hawking zone fell outside Chickpet—since initially no zones were identified in the Market ward. However, the local councillor who had a formal authority to intervene in BCC's policy was not involved in hawkers' issue. In 1998, the ward was also reserved for women in the local elections. The present councillor belongs to Janata and a new entrant into party politics. Poor groups perceive her capacity to influence institutions as relatively less as she does not much clout or experience in dealing with the municipality of higher level party dynamics. The councillor's contacts with local groups were equally fragile --- the councillor's contractor brother apparently did much of the mediations with contacts among the lower level officials and corporation councillors. Even if the councillor decide to intervene on behalf of hawkers poor groups feel it would not be effective.*

A key issue shaping such 'cross ward' political alliance is the extent to which the party politicians are willing and able to protect poor groups' claims and the factors of land and economy shaping these. For instance, for the MLA from this area being a trader of building material, poorer groups do not see him as being particularly supportive in times of need. In contrast, we mentioned above, the one in the adjoining ward has a voting base among the slums there and perceived as being 'efficient' to address issues of services in their slums. He also addressed regulation of hawking activities and controlling the police and lower administration with regard to bribery. The financial connections of this MLA cement these links. There are factors of how a MLA acted in times of crises: Ethnic based riots in particular.

Despite these local links, we feel that a serious constraint is the limited effect of strategies based on cross-ward alliances in enhancing poor group's capacity to influence institutions. The influence of party politics, which over ride local concern, is ever present and un-expected. This contrasts a politics centred on local land issues and local economies. However, politics also throws up complicated responses. For example, the ex-MLA of Chamrajpet (belonging to BJP party with higher clout in the party) used her power to influence KR Market MLA also belonging to her party to take up the case of hawkers. She in fact had lost the election in Chamrajpet to a Congress candidate, since she was perceived to have not adequately addressed the land agenda. Keeping in mind the future elections, it became necessary for her to get involved in hawkers' issue. Here, election boundaries restricted her from getting involved directly. Hence she used her power in the party structure to influence KR Market MLA to support hawkers. This cross-ward alliance draw at the MLA had relatively limited influence over municipality, when the party leaders themselves were pushing for Urban Renewal and with it, Hawking zone policy. In addition, the operational policy was largely centred on the commissioner, rather than the council. Thus, the hawkers' dependence on MLAs to push the BCC into reconsidering its approach did not have much impact. All these factors served to disadvantage the hawkers making it



easier for BCC to implement its plans. We now turn to another key issue that influences the political climate in the Market area: Ethnic connections.

As we mentioned earlier, most hawkers in the city market area are Tamilians but set amidst a strong Kannadiga lobby. The Tamil-Kannada conflict is one of the dominant political issue in the city since the early eighties if not before that. The City Market is one of the two significant concentrations of low-income Tamil groups in Bangalore<sup>85</sup>. The councillor wards, surrounding the market has an equally strong Kannadiga lobby, some of who are competitors to the Tamil hawkers. The mainstream political parties - the Janata Dal and the Congress are therefore not too keen to openly woo the Tamil voters. It is against this background, that a complicated inter-state political alliances forged by the Tamil groups has become crucial. Such alliances have set a stage for a minority community to negotiate with the politicians for their resources. The case of Rajagopala Garden illustrates the way in which poor groups use interstate political mechanism.

**Box 27: Inter State Politics and Local Autonomy**

*The majority of residents in Rajagopala garden, a squatter settlement in KR Market ward, are migrants from Tamilnadu. Most are involved in hawking. The squatter residents claim that they are staying in the area for a long time (about 30 years), but do not have any legal title deeds. The possibility of getting title deeds remains slim. The land on which the slum stands is claimed by a private individual controlling a large inter-state road transport business and having political connections at the highest of levels. The claimant also contested for the MLA elections from Congress party during 1996 elections. The squatters depended on councillors and MLAs for infrastructure services. At present, the residents have some form of access to public facilities: some public toilets and street taps. Besides all houses have individual electricity connection. The streets have been paved and there is a Sanga room (association office) in the settlement. In extending infrastructure services, the MLAs and councillors of two major parties namely the Congress and Janata Dal played a major role. Both the parties however, have a strong Kannadiga base in the wards surrounding the Market and are known to be antagonistic to the Tamil population in the city. Rajagopala garden was one of the worst affected areas in the Cauvery riots of 1983. These raise an interesting question as to how this settlement, set in a hostile political environment, managed to consolidate their de-facto tenure and procure more than the basic range of services?*

*The squatter residents claim that they are members of the local 'All India Dravida Munnetra Kazagham' (AIADMK), one of the two main political parties of Tamil Nadu (the other being DMK)<sup>86</sup>. The milieu in Rajagopala garden mirrors that of a squatter settlement in Tamilnadu, with AIADMK flags and posters prominently displayed in different parts of the settlement. It is also striking that no other party office other than that of AIADMK is present in the settlement. A sizeable proportion of Tamil migrants in Market and surrounding wards are affiliated to the AIADMK branch in Bangalore. The branch office of the AIADMK has a general secretary residing in a surrounding ward and co-ordinates the party affairs. Some activists claim that the secretary also has good links with other Kannadiga activists and other local politicians, including the councillors and the MLAs. Most of the links between*

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<sup>85</sup> The other one is also a core market area of Bangalore: Shivaji Nager.

<sup>86</sup> In fact the former is a splinter group of DMK, formed by a popular cine actor in the late 1970s. Interestingly, the other large concentration of Tamils in the city in Shivaji Nager –Ulsoor, are mostly affiliated to the DMK.

*the branch office and that of the main office of the AIADMK is maintained via influential relatives who are also party members. This is also because the AIADMK has a strong base in the villages of Thiruvannamalai where majority of migrant hail from.*

*A local activist also told us that the main party provides financial support to branch offices in Bangalore for election funding. This is then given to those local parties who offer sort out the problems of the residents of squatter settlements like Rajagopala Garden. Despite the importance of these inter-state alliances, an interesting aspect is that the migrants have managed to retain their autonomy. Although the larger party processes may moderate the decisions of local AIADMK in the city, the office bearers claim that their voting pattern ultimately is shaped by local political equations. The migrant communities managed to retain their autonomy with both its regional boss, and also other political parties – negotiating as a group for getting services and supporting those candidates who address these needs. Thus, the AIADMK is a banner, to some extent to route funds to buy political support. It is also used as a rallying mechanism: This banner has consolidated the political clout of Tamil migrants in the three wards Chamrajpet, Binnypet and Chickpet of the city. Together, their numerical strength is strong enough to attract politicians to negotiate with them in lieu of votes.*

*The AIADMK organisation in Rajagopala garden comprises of several office bearers that seem to have more or less equal power and status in the community. Like in other squatter areas, these leaders are drawn from better off among the settlement's population involved in finance business, arrack sale etc., Thus besides the party circuits, the leaders are linked to different economic groups via their trading circuits. The residents claim that they represent their problems to the local AIADMK workers, who then brings them to the notice of the local MLA, either directly, or if it is a major issue, through the regional secretary. For example, Anniyappa is one of the office bearers of Rajagopala garden's AIADMK party. When local residents approach him with a problem, he contacts the local MLA or the councillor depending on the nature of issue and at times routed through the regional secretary of AIADMK party. Sometime, he uses his own party connections to solve the problems. Anniyappa was a pushcart hawker prior to starting his finance business. His market connections helped him to move up to establish a finance business. In fact, one of the local MLAs also involved in the trading and finance business, inaugurated Anniyappa's finance office – demonstrating a supporting role to the public. There is a direct functional link whereby the MLA circulates his capital via small financiers like Anniyappa. For the residents, the branch office of the AIADMK serves both a political and economic function.*

The above box illustrates one of the many complex political arrangements evolved by poor groups to pressure the mainstream political system. This box is somewhat reminiscent of the Azad Nager case and the reader may recall the group negotiations adopted by the ethnic minorities such as the Kasargod Muslims, Benares Muslims in Valmikinagar. However, it is important to note that relative to Valmiki Nager, the tenure situation in KR Market is far more tenuous and coupled with competing claims from other powerful economic and political interests. The point to note that while the complete resolution of land tenure is virtually impossible in situations like Rajagopala garden, the political mechanisms used by these groups have been quite effective in obtaining basic services. However, one must also remember, as we stressed previously, that most of the poor groups do not reside in squatter settlements within the KR Market ward but in the surrounding wards. The age of this settlement, their ethnic homogeneity, and their political unity helped them to remain in what has become today, Bangalore's

main economic node. Drawing from the earlier discussion on local economy, this location is excellent for the residents here – access to the trading circuits, finance networks, and ethnic support.

This structuring of ethnic links which form the base for an inter-state political mechanism is critically important in the context of Bangalore's city politics that is strongly shaped by ethnic conflict. Without such mechanisms, it would be almost impossible for such minority groups to survive. This is also because the formation of an independent Tamil based political party is difficult given the numbers.

A significant issue is the sense of local autonomy. This is critically important to provide the flexibility in political strategizing between the various local parties in obtaining infrastructure and services. In fact, it is this aspect that echoes the neighbourhoods of Azad Nager ward. If the AIADMK had taken a more pro-active stand, it is most likely that the MLAs would have played the squatter groups around. Thus, negotiating territories are quite well defined.

Another aspect that echoes the Azad Nager case is the link to finance circuits. This is at several levels. The remittance – urban investment circuit plays an important role of binding political claims across the two states. Locally in Bangalore, it is significant that the MLAs are also drawn and integrated into the financial circuits used by the hawkers and other local groups. When asked if the party funds were being routed via the financial circuits, those were only used to fund the local party system. The agent of the AIADMK was a financier in his own right, and the ethnic connection related mainly to help in 'introductions' providing accessibility and spreading the 'market' so as to say and not providing subsidised capital<sup>87</sup>. In fact, given the politics of the situation, one could argue that if these political-financiers provided subsidised capital, it would lead to all sorts of conflicts due to allegations of favouritism and ultimately split the community. It is also critically important that the political agent puts his own money into finance. It is commonly known that financiers have some of the best network systems across various levels. They make particularly useful nodal points.

There is also an issue of concentration. The Tamil groups are concentrated in two different parts of the city – KR Market and its surrounding wards on the west; and in some of the eastern wards around

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<sup>87</sup> We will discuss this issue in some detail in Section 4 but highlight a relevant argument. This is a significant point since the main focus of public finance support scheme and even at time NGO organized micro-finance is to provide lower than market rates rather than attempting to develop mechanisms that go towards increasing the spread. On the contrary, our experience is that even with the NGO micro-credit system, many make very difficult procedures, which severely restrict the

Ulsoor around Bangalore's other economic node of Shivaji Nager. In all these places, local society is clustered. For instance, local activists claim that there are 5000 Tamil votes from the different villages of one particular district in Tamilnadu in KR market alone. In addition, there are migrants from other villages involved in other economies like the construction industry. As we have discussed before, these migrant communities maintain contact with their native places on a weekly basis. This political clout in their hometown/village has evolved into these parties appointing political representatives in Bangalore. Thus, a significant part of the political benefits of political funds routed to the Bangalore AIADMK office, is to ensure political responsiveness to the particular Tamil constituencies back home too.

Another interesting factor is the autonomy maintained by local groups. Although affiliated to the main party, the squatter residents' political decisions are shaped more by local considerations rather than larger level party processes. The alliances with the Bangalore parties are made locally. During the election time, their area leaders negotiate with the different political candidates and enter into a deal in lieu of the votes. The numerical strength of Tamil constituencies in both the areas also attract the politicians, providing opportunities to negotiate as a group for land claims and services. The residents claim that, though they may take into account the Central AIADMK party's coalition decisions, their voting decisions will ultimately be decided by local political exigencies. Thus at the local level, the groups enter into a complex web of relationships drawing on their ethnic and city level contacts.

The above text indicates that the political structure in the city market is a complex web of relationships at the local level. Box 27 is useful to contrast with the general structure of political relationships that emerge with urban renewal interventions diluting the bargaining position of poor groups and a loss of their political autonomy. This loss of local autonomy had serious costs for poor groups. It is hardly surprising that urban renewal projects have contributed to an escalation of conflicts between the different levels of actors especially the middle and poor income groups. The local politicians with their hands tied in the system, get drawn into a form of classical 'machine' politics.

An important point here is one of political management for the main economic and political nodes in the city. The central market types of economic nodes of Bangalore (KR Market, Shivaji Nager, and also areas like Valmiki Nager) are characterised by political complexity and cross currents at the local level. These have also evolved as areas of intense economic productivity -- brought about by historical trade linkages and an urbanisation process centred on small traders and hawkers. Renewal programs are instruments at both an economic and political level: Emphasising party interests in these political

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clientele and absurdly, route subsidized funds. At other time, it is the other extreme where funds are pegged at market costs

circuits, extracting economic surpluses to higher political and administrative circuits and by default to higher income groups and the corporate sector. Normally, these projects would be easier to develop and promote within the Master Planned areas of Bangalore. However, the economic benefits (in terms of the bribes from the corporate business groups to access subsidised public investments) and political ones (of establishing party dominated politics) in the commercial node of the central city markets are much higher. Since most of the central city areas pre-date the master plan, these projects are promoted on the grounds of 'urban renewal. The peculiar pattern of local political structure in the market also made it easier for the State to intervene easily in the form of such urban renewal projects.

This is not to say that the intense economic activity has not opened up economic opportunity and provided relatively easy access to starters. This is true and linked to the relative diversity of claim making mechanisms (via ethnic, economic / functional links) spurring these economies, and allowing different groups to settle in close proximity. However, our point here is that the organisation of space and its control results in a relatively narrower range of options – especially as compared to neighbourhoods like Azad Nager. A key issue here is the extent to which financial capital links up to local circuits. Some specific examples: Landowners and the elite traders of Cottonpet and Sultanpet are now predominantly Komala Shettys and from the Marvari community. Their claims within the system have evolved from broader financial flows, and not specifically by the need to rotate money locally like in the Azad Nager case. Trading and traditional artisan communities such as Komala Shettys, Tamil Shettys, Muslims, Devangas initially settled in the different localities around Market. Overtime, trading communities from North India, especially the Marvaries invested in Market ward and moved in here. All of these groups being traditional trading communities, had access to large financial circuits – which evolved into their main source of political clout in the city via party based funding. In any case, land did not form a major source of capital movement. Land values might be super high in core city areas but rate of land value increase is much lower than in areas like Azad Nager, Yashwantpur and most of Bangalore's periphery. Moreover, urban renewal projects like the New Market and elevated roadway – urban renewal by fracturing the claims of a wider range of local group's by-default, reinforces the power of the elite groups controlling the larger lever financial circuits.

This argument gets clearer when we compare the New Market complex from the claiming perspective in addition to the constraints and problems of architectural / physical design<sup>88</sup>. In fact, not only the Market complex but the rest of the urban renewal scheme (including the expressway) is important to look at in terms of 'what it does' – from a John Turner usage<sup>89</sup>. If we take this approach then we get a better sense of the fracture between local groups that resulted from urban renewal<sup>90</sup>. To reinforce this argument, it is important to note that the elite of the market political contacts lies directly with the State Government (and one could argue with the national

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but procedures are not!

<sup>88</sup> For instance, the original market that existed prior to its demolition provided large and wide pavements for hawkers to peddle their wares. Internally too, its rectilinear court yard space with wide corridors helped in a sense to provide space amenable to hawking. In contrast, the present urban designed space with multiple basements has spatially structured an environment that which has converted the hawking territory into parking space, road for vehicular movement, ramps for vehicles to access the basement.

<sup>89</sup> Here, the elevated expressway encroached on what used to be highly productive hawking space. The assumption is these developments have modernized the city and made it more efficient. The truth is otherwise. The basements in the new market are flooded, the ground floor is the one that is used, the upper floors are never visited and form of planning not conducive and turned into a high crime area and also the local "red-light" zone. The elevated expressway too has not proved conducive to the trading community it was supposed to feed into.

<sup>90</sup> The contractor in charge of the project was also tacitly encouraged to get the people to move and "adjust" the amount as part of the construction contract. This was largely successful and seriously fractured local groupings. This has seriously weakened the form of functional and political alliances that once existed to ensure access to locations.

government). Their link to financial capital and circuits draw from National and regional trade circuits with few or weak links to the financial, functional and political circuits of local groups. Thus, the elite can shift capital without being constrained by local interests

Thus, one pointer (and hypothesis) relates to the relationship between the elite and local groups and the local political aspects of such links between the two. Since land and local economy form an integral part of the politics of local claim making these two elements form important constituents of such links. A corollary is that stronger links with economic circuits influenced by the State Government will provide less incentive to maintain local links.

With this discussion in mind and to understand the political consequences of urban renewal on poor groups especially hawkers, we focus more closely on the issue of de-facto tenure. We had discussed a key issue for poor groups are of establishing de-facto claims to locations. These come about via functional linkages with the various traders and political linkages. An important point here is how interventions can reinforce or weaken de-facto tenure. The following box provides a vivid illustration of the complex issues and processes at stake:

### **Box 28: The Politics of Space**

*The flower and vegetable retailers sought political support pressuring BCC to alter the allocation of retail spaces within the New Market complex. The allocation process had initially sought to move them in the upper floors of the New Market. Under this political pressure, the BCC agreed to a lottery process for shop allocation. Some shopkeepers claim that this lottery process was manipulated to allow for the vegetable and flower traders to procure allotments in the lower floors. They claim that one of the MLAs, with vegetable wholesale and financing business in the market, played an important role in this. Consequently there was high demand for shops at the lower level bringing about rifts between them. In this process, the tool merchants were allotted upper levels where they faced serious problems in transporting heavy iron and steel articles to their shops. The merchants affected by BCC procedures sought legal intervention. This resulted in a spate of cases and counter cases leading to a stalemate. The tool merchants refused to move into upper levels and continued to trade on the temporary shelters located on the pavements. Their association also sought legal intervention to allow them to continue trading in the temporary shelter. The judgement was delivered after a year, directing the BCC not to force the tool shopkeepers to occupy the 1st floor and 2nd floor but to accommodate them on lower levels elsewhere. Along with tool merchants other shopkeepers had also moved the court to subvert BCC's action in evicting them from their temporary shelters. This spurred off a spate of cases and counter cases by BCC. It led to a stalemate, where even after one year, the shops in the market complex remained unoccupied, with many retailers continuing to trade from temporary shelters on pavements.*

The BCC sought to renegotiate with traders groups. They offered to allot shops in the first floor in another market complex in Kalasipalayam. The tool merchants refused to accept it and also there was resistance from the vegetable wholesalers who were already located there<sup>91</sup>. The tool shop owners offered to build their own place if land was allotted by BCC. This proposal was unacceptable to the latter. Ironically, the shopkeepers claim that the contractor of New Market Complex negotiated with them directly on behalf of BCC. The contractor also promised to allocate ground floor shops in one of the proposed blocks adjacent to the new market complex.

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<sup>91</sup> The Kalasipalayam market has mostly vegetable wholesalers who occupy the ground floor and they feared that moving up would create serious problems bringing in raw stock. Even over there, the entire first floor was unoccupied and later different associations started to use the space to set up their trading offices.

The BCC in its preoccupation to ensure occupancy had apparently sold the shops to new comers who are willing to occupy it<sup>92</sup>. Many old traders complain that they have not been allotted any shops inside the complex. Provision has been made in the complex for 8 seasonal fruit shops. At the time of the study the fruit vendors claim that 35 more fruit traders have to be allotted space. The traders claim that many new comers were allotted space. Soon after construction the traders refused to move into the complex. Apparently, some shops were subdivided and allotted to new comers. The different affected groups - those that got interior shops or shops in the upper floor and those that were left out in the allotment, continued to trade from the temporary shelters and the pavements. The temporary shelters were formed on the pavements. However, these came into conflict with the hawkers who were displaced from these locations. These conflicts also had serious political repercussions by fracturing relationships between the upper level bureaucracy and elected council. The former sought to enlist support from state level elected representatives and also sought legal interventions to shift traders into the market complex.

In parallel several converging forces pushing for eviction of pavement hawkers gained momentum. The first is the pressure from higher level traders that faced intense competition from retailers in temporary shelters. These were stalls selling tools housed in temporary sheds along the main road selling articles at a cheaper price in comparison to the established large traders in the locality. The latter apparently had a direct 'connection' with the then BCC commissioner and also the then urban development minister! These contacts pressurised the BCC to remove tool merchants located in the temporary stalls. Another force was the high court order to remove 'encroachments'. The stall owners argue that the BCC took advantage of these court directives by obtaining a stay order against their petition on a Friday. The weekend did not give them sufficient time to stall the BCC order. This group feels that the main interest group behind the BCC and the court are the large traders who took advantage of the urban renewal project.

A very important force promoting the eviction of hawkers from locations under their occupation came ironically from a National level coalition of NGO and academics focusing issues of street vendors and livelihood<sup>93</sup>. Their lobbying (via an international seminar inviting the Chief Minister) promoted a case in the High Court directing the BCC to organize hawking by demarcating 'Hawking zones'<sup>94</sup>. The court judgement in 1999 directed the BCC to specify

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<sup>92</sup> Our interviews with this group suggest that this group is waiting to convert these spaces into commercial space once the attention to the problems of this market dies down. They stock some material - but it's obviously symbolic.

<sup>93</sup> We discuss the NGO intervention in some detail in a following box. We refer to this here in order to maintain the flow of the events and arguments.

<sup>94</sup> The entry of legal institutions in KR Market arena was influenced by several events in the background. One was the conflict within the hawkers themselves. In one conflict over hawking turf, one hawker was killed in a fight. This event was used by retail shopkeepers who went to court to "organize hawkers in a planned way", but in reality to evict them and reduce their competition. In supposed reaction, a "Hawkers Federation", set up by the coalition of NGOs as a conglomeration of different hawker associations, and filed a counter case against the retailers. Significantly, although

hawking zones - drawing from a Supreme Court judgement in 1989 (in the context of pavement dwellers in Bombay<sup>95</sup>). That judgement recognised that hawking as a fundamental right but allowed for eviction by state agencies provided allotment of alternative places was made. Since the high courts are bound by Supreme Court judgement, there was also little legal flexibility in terms of location access for hawkers.

The intervention of courts in hawker issues emerged from several conflicts that arose in different parts of the city involving the hawkers and -shopkeepers. Shopkeepers in different parts of the city sought legal intervention for evicting the hawkers that were obstructing their business. The Federation of Hawkers contested this in turn at the city level. In parallel, pavement hawkers also went to court to resolve their conflicts over location. Hawking zones were identified in different parts of the city jointly by the BCC bureaucracy in consultation with the Traffic police. Those hawkers recognised by the BCC are to be allocated space for trading and issued license. It is now proposed to identify eligible hawkers, through a survey conducted jointly by BCC officials, traffic police and in some cases the NGOs concerned. Hawkers will be provided with a specific location for hawking through a lottery process. The BCC invited NGOs, general public for filing any objection to the identified hawking zones. Applications were also issued to the hawkers in some areas for obtaining licenses - but for the specified zones. The pressures came from a congregation of various interest groups involving:

- a) Retail traders, who saw the hawkers in their close proximity as competitors, driving prices down, saw hawking zones as a way of removing hawkers and reducing competition;
- b) Middle income groups driven by an westernised image of what Bangalore should be, and perhaps, maintaining property values;
- c) Senior level politicians, planners and senior administrators driven by the city's image for corporate investment, private corporate sector attempting to create a corporate urban designed setting in centre city locations, that are otherwise dominated by poor groups.
- d) A grouping of NGOs claiming to be federated from a broader group of hawkers, seeking de-jure tenure rights for hawkers.

This had a drastic impact on hawkers with only one exception. This relates to hawkers in Central West Bangalore. Hawkers in that location, via their councillor, had organised prior to the judgement, for a licensing scheme on a 'as is where is' basis. This helped them establish their de-facto claim to particular locations where they used to hawk. Since this happened much before the pronouncement of the hawking zones, when the Hawking Zones policy was announced, rather than displacing poor groups, it served to 'regularise' their claims to the locations they had already established<sup>96</sup>.

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termed as a federation, our fieldwork suggests that few of the existing associations and hawker leaders were part of this group and held any form of "ownership". The coalition as we explain in a subsequent box, was promoted by the national level umbrella organization.

<sup>95</sup> The now famous Olgar -Tellis case, the theme of a wonderful film: "Bombay Our City" by Anand Patwardhan.

<sup>96</sup> This process was very different than the conventional approach in other parts of Bangalore, where the NGO, the DCP (traffic) and senior level officials of the BCC planned out which should and should not be designated as hawking zones.



The identification of the hawking zone had no involvement of the hawkers or their organisation, and mainly carried out by the corporation health inspector (under supervision of the BCC commissioner) in consultation with the traffic police. In parallel, the NGO coalition intervened on behalf of their 'hawker groups' and tried to collaborate with the BCC on finalising hawking zones. However, the poor working relationship with the middle and lower level bureaucracy, their lack of legitimacy with the hawkers too diluted this attempt. The zones were identified in localities that had minimal pedestrian traffic. Hawkers opposed BCC's proposed zones since most of them are located in isolated areas with not much pedestrian movement. In some areas, middle and high-income residents opposed the proposed hawking zone. (e.g. NR Colony). The hawkers in KR Market opined, that the zones identified were unsuitable for their business both in terms of visibility and business opportunities. Hawking zone was identified in another ward surrounding KR Market - Chamrajpet. The market location provided them with the density and variety of customers. Whereas in the new area, located in a calm residential area, with minimal pedestrian traffic, hawkers are not sure of getting any business. There were also objections from general public in some areas for the proposed hawking zones. In places like NR colony, where the hawkers are ready to trade in hawking zones, the residents opposed it. On account of these conflicts, BCC has not finalised space allocation for individual hawkers. However, it increased its vigilance in preventing hawkers from occupying the old trading spots on pavements in the market.

The issue here is not only the zone but issuing of 'licenses' to prove 'legitimacy'. This turned out to be as exclusionary as the zoning attempt. The licenses were to be issued to 'eligible hawkers' as identified by BCC on the basis of a survey! This process involved lower level BCC staff, a senior BCC official, traffic police, identifies hawkers. In some cases, the NGO was also involved. The BCC has fixed the number of licenses to be issued that did not necessarily correspond with the number of hawkers. The hawkers have to produce proof of address voter list and ration card for obtaining a license. Each hawker family is to be issued with a single license. In issuing licenses and allocating location, the revenue inspectors of Bangalore City Corporation play an important role. Under the revenue inspectors, are several field workers who are involved in the process. Those hawkers with influence and money power are able to negotiate effectively with the revenue inspector directly or via the chain of middlemen. The hawkers claim that the allotted numbers are far from adequate. For example in the market area, the BCC has identified --- licenses. A very rough and conservative estimate of the hawkers operating in the ward is around 3000. All the hawkers submitted their application but the BCC selected 60 among them for issuance of licenses. Those living outside the wards were rejected. Hawkers in the market fear that they might be forced to move out as most of them live in the neighbouring ward. There are also hawkers, coming from the outskirts of the city to trade in the market. This group was obviously had no claims whatsoever.

The NGO promoted federation went along with the process of instituting hawking zone structured along de-jure claims, rather than specifically address the issue of productive and non-productive locations. In Southwest Bangalore, hawker associations had initiated via political agents, a system of licensing that by default reinforced their de-facto tenure and reduced bribery. Interestingly, this group of hawkers who had instituted for a licensing system before the issue of the hawking zone came up were able to benefit from the court judgement since that allowed them to consolidate their existing locations secured via the licensing carried out earlier<sup>97</sup>. The declaration of the Hawking Zones split the hawkers and pushed them into un-productive locations. Since the NGO coalition had a rather tenuous field presence, their involvement as 'civic' groups with the higher level administration via their umbrella organisation provided some legitimacy and attempt to take on a 'distributive role'. This would help them to compete with the existing hawker leadership and also when their field staff faced great opposition from the hawkers and also the hawker's leaders. There were other potential benefits if this was successful<sup>98</sup>.

This issue still continues. One critical offshoot of the court order is lack of flexibility for hawkers to influence BCC to accommodate their interest. The higher level bureaucracy, not surprisingly, views hawkers as encroachment. This is also in the context of the Chief Minister declaring his intention to make Bangalore into a Singapore, and thus to clean up the city. Also, non-implementation of hawking zone would mean contempt of court that could lead to BCC commissioner being implicated with possible imprisonment. The institutional pressure to implement hawking zone on lower level bureaucracy has increased. As a result, previous channels of claim making by hawkers via lower level bureaucrats have collapsed. Ironically, now the same lower level bureaucrats used the hawking zone as a justification to extract more bribes from hawkers. This is also because the political controls over the lower level bureaucracy have been weakened if not dissolved. As we had discussed earlier in this section, the frequency of collecting bribes increased. Even if the bribe is paid they are no longer guaranteed of conducting trade peacefully. Raids have become more frequent and erratic, and goods were seized in order to extract higher bribe amounts. This has contributed to a situation wherein hawkers are unable to conduct business regularly. As one hawker put it:

..Raids have become more erratic. The bribes have also gone up. At least earlier, we were sure of doing their business after paying the bribes. This is no longer possible, as the pressure from higher officials is quite high. There are frequent visits by the BCC commissioner and the police officials, which in way compels traffic police to keep a strict vigilance on hawkers. ... Sometimes, the shopkeepers pay amount to the police to evict us. We were doing our business

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<sup>97</sup> We shall discuss (in Section 4A) at some length, the politics of NGO involvement in urban poverty to argue that one of the main reasons for their in-effectiveness if not regressive impact has to do with visibility and attempts at community compliance. In this case too we see a similar issue at stake.

<sup>98</sup> There are often other benefits as we discuss in Section 4A. Here, one is the visibility of the NGO interventions, reinforced by a court case and international seminars. This visibility is essential to draw the attention of international funding agencies and to pave the way to "membership" of similar "urban poverty" centered federations "networking" at the national and international level.

in front of the wholesale coconut vendors. The coconut vendors demanded advance amount of Rs. 5000 and a monthly rent of Rs. 100 from each hawker. We refused to pay the amount, and continued to do business there. Angered by this move, the wholesalers bribed the BCC/ Police officials, who came and started to ransack the materials.

The hawkers in the different parts of the city responded to the increased harassment in variety of ways. Strategies to subvert this institutionalisation via their MLAs did not materialise. He said that he was seriously constrained by the court order. Also, the court order compels the politicians to negotiate within the framework of hawking zone, which is very limiting. Furthermore, their councillors also did not wield much power within BCC since this decision-making involved such high level bureaucratic and political circuits and linked to powerful trading interests. Despite these odds, the hawkers in the market organised a strike for three days in June 2000. Following the strike a public meetings was organised between the MLA, administrators and the hawkers. The commissioner represented the BCC. An outcome of this discussion was to identify specific hawking zones within the market ward – a change from the initial listing of hawking zones located in the surrounding ward within residential areas. The hawkers on the other hand insisted their right to locate on their present place of vending, or alternatively within the new market complex. The MLA showed a ‘temporary’ location within the same ward, but hawkers refuse to trade from the place. Until the time of our research this issue in the market remains unresolved.

There has been a much wider repercussion. The insecurity in conducting hawking business has resulted in private financiers who used to lend to hawkers withdrew and increased the cost of transactions. Normally their agents would visit the hawkers daily to lend money and collect the daily instalment. Now, their frequency has reduced forcing the hawkers to visit them. Also, the massive dis-location has made it difficult for these agents to keep track of that is where and depends upon a well-established system of peer pressure. Hawkers who were investing a minimum of Rs. 500 or more are now seriously constrained to rotate finance. After the urban renewal most are rotating only Rs.100 to Rs.200 that barely allows them to earn money to cover their daily food expenses. In parallel, this also put direct pressure on lower level officials increased to prevent ‘encroachments’ resulting in the raids by the bureaucracy and also the police as mentioned previously.

Strengthened by these court orders, the BCC's higher level bureaucracy has also forced the traders to move into the market complex. The decisions of the court also crippled political negotiations which other wise could have been used to stall the decision of the BCC. Here, elected representatives were also bound by court order, leaving the field clear for the bureaucracy and the senior administrators to act in an un-constrained manner.

The above box reveals the terrible and wide spread destruction that an approach like urban renewal unleashes. This fractures local alliances and also functional relationships that had emerged between the different local economies of trade. Initially, with the loss of wholesalers' support, hawkers like those in vegetable and fruit trades were forced on to different pavements. The construction of the elevated roadway then reduced that space turning it into highly contested territory. With loss of social support, hawkers had to rely increasingly complicated and un-predictable political strategies. With the dilution of local claims, the wiping out of the diversity of tenure arrangements, higher level institutions under pressure from the larger traders could divide the local groups. All this is to reinforce a skewed power structure favouring higher level bureaucracy and politicians. Consequently poor groups' political strategies for claim making via ‘porous bureaucracy’ and a ‘vote bank politics’ centred on local power groups are rendered ineffective.

One conceptual issue of importance relates to that of ‘contested’ territory. Central city locations by definition, are highly productive and therefore under competition and thus ‘contested’. Our point here is that there are very

different formative processes of the way contested territory evolves in a particular setting of economic and functional relationships. These are shaped by social factor – the historical ownership of land, social conventions, power relationships between different groups etc (for instance our initial arguments about what makes KR Market different from Azad Nager). However, these are also intensely political. Urban Renewal, as a political act, essentially sets up one form of contest as compared to say. For instance, local politicians pushing for instituting a ‘holder’s khata’ (a certificate of settlement irrespective of actual ownership) or the hawker licensing scheme as discussed earlier. ‘Contested’ space does not emerge out of the ‘thin air’ but is shaped via political acts and relationships: Some open up productive locations to poor groups, other forms and structure to close them.

Second, it seems very important to view acts like the ‘hawking zones’ and ‘licensing system’<sup>99</sup>, not in their narrow technical objective of ‘providing for planned and less messy’ hawking, or ‘regulated’ activity, but to view this in a political context of the way these acts shape contested territory. Here there are some key pointers to look for:

- a) The opening up of a local political process and institutional space relates closely to what one of the authors has conceptualised as a bureaucratic transformation to form a *Porous Bureaucracy*<sup>100</sup>.
- b) The importance of a variety of tenure situations;
- c) To what extent the local elite connected to local land and economic settings – drawing from the Azad Nager experiences.

These are also not intended as a mechanical listing but as a tool for analysis. For instance, under some conditions – as we saw in the hawking case, the *Porous Bureaucracy* without political access can also be a double-edged sword. Thus gaining control over lower level bureaucracy via political mechanisms becomes important. Thus a closer look at the actual institutional structure and the way power relationships influence these is very important, rather than be dismissive of complex bureaucratic processes on grounds of ‘corruption’ and blindly pushing for ‘transparent governance’.

Our third point, and related to the above, is to look more closely at the nature of planning tools. In this case we saw how the use of hawking zones can serve the interests of different external institutions and seriously undermine local autonomy. This has to do with how tools serve to open or restrict access to competing institutions, which affect the bargaining power of poor groups. In this case we saw the multifarious institutional actors with their own agendas. The Supreme Court saw the hawking zone as a way of ensuring right to location, but location defined in a simplistic term of access to physical space. This suited the higher level bureaucracy striving to promote a corporate image of the city. None other than the chief minister of the State supported them in this. The court judgements for the removal of ‘encroachments’ and an order for implementation of hawking zone fitted neatly into state's planning philosophy in turning Bangalore as the hi-tech capital of India. This allowed BCC to clear the ‘messy, congested’ market to organize a neat and clean setting for attracting investments. The traffic police was concerned with the congestion in the area. The court judgements opened up new opportunities for both the agencies to collaborate in implementing hawking zone. The active involvement of higher levels of bureaucracy, to whom the hawkers have little easy official access to, meant that they were

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<sup>99</sup> For instance, we showed how the licensing system had two drastically different impacts in two locations essentially due to the politics of the process.

<sup>100</sup> The porous bureaucracy refers to that level of bureaucracy that local leaders and groups can easily access – largely lower level officials. Here, the bureaucratic mess itself makes for a relatively flexible and loose institutional environment. See Benjamin 1996.

disadvantaged in representing their case. Within these institutions, there was a clear fracture between the higher level bureaucracy and those at the lower level. The pressure from judicial level also closed the fragile space for hawkers to subvert institutional actions via lower level bureaucracy. Here, the institutional structure together with the involvement of Courts crippled institutional manoeuvring via elected representatives. The lower level administrative staff, with whom the hawkers had linkages, took advantage of the weak bargaining position of the hawkers with the political representatives and the administrative procedures for extracting more bribes. In parallel is the growing momentum from a cross section of citizenry pressurising BCC for a 'clean and green' city. All these helped to overcome local resistance and also promote urban-designed settings benefiting corporate economies.

Our fourth point is to highlight the issue of land. Here we feel that it is critically important to go beyond a narrow definition of land merely as an input to production. Land in its socio-politic dynamic is a central issue of contested territory. For instance we have seen in Box 28 how the situation of de-facto tenure is not a mere announcement but emerge from political relationships. It seems important to specifically consider the political economy of de-facto tenure. This refers to understanding how various types of institutions define them, and also how these have historically evolved. In all this, what is 'public' and what is 'private' comes into sharp focus. Normally these are viewed in a planning framework that rigidly defines these. It would be useful to recall the sensitive cash flow mechanism of poor groups in KR Market. The state control to homogenise claims upset this cycle and it has wider ramifications. This also severed poor groups access to other circuits such as loan finance, chit circuit paralysing not only the urban economy but also their rural counterparts dependent on them. One also needs to move away from a purely legalistic view of tenure to explore its link to economic processes. Third in parallel to the above, the way political claim making has defined tenure. Claims are also built over several years. The markets in such places are coloured by other social, ethnic and political factors. In locations where in poor groups had initial de-facto claims, market mechanism emerged over time. It is interesting that particular tools and processes of planning are particularly regressive to poor groups. Here, one seems to be, 'Master Planning'. We see in the KR Market case, and furthermore in Sections 3C on outlying areas like Mahadevpura, and Section 3C in the case of South Bangalore, a key issue is that of how these affect local land markets. Land issues seem to be an important base which shape pro and anti-poor processes.

Fifth, the land perspective is also important to analyse the role of the planning process itself. It is hardly surprising why elite groups require planning and also in a form shaped by Master Planning. If an individual trader required space in a location in a central market area, the negotiation over size and price is likely to be with a single owner of such a plot. Since requirements between what are available and what is demanded is not exact, this would involve adjustments on both the seller and buyer. A critically important aspect of the lease or purchase price would be the situation of tenure -- of land, and also property. This is because most such properties are in a 'continuum of tenure claims' and the buyer or lessee would have to judge these claims and build it into a form of an agreement price. This has strong social aspects - the longer the lessee or buyer occupies that property, claims are established on the previous 'layers' of claims to that location. Another important aspect of the transaction would involve agreements over easements -- to adjust the 'claims' of adjacent space affected. For instance, groups of hawkers who have been hawking their wares just outside the space undergoing transaction, are likely to have legitimate concerns about the form of frontage and vice-versa in the local social (if need be political milieu).

Thus, the market price in effects reflects these complex factors and comes about of a very local and intensive negotiation process.

In contrast to this situation, the private corporate groups aiming to set up such a 'urban designed' shopping complex without government intervention would be impossible. One can imagine that their attempts to negotiate with a group of property owners (including hawkers) would be a complicated and formidable task. If these groups had to negotiate with each of the individual owners to consolidate a large plots of land, the complex tenure forms that have evolved over ages relating to the complexity of claims over specific locations would make it almost very difficult. Having the State government to undertake this task via the power of state planning, ability to consolidate land via eminent domain is far more efficient. The important point here is that the decisions to promote mega-projects is not taken on grounds of economic efficiency or social benefits. Rather, the factors influencing the process are one of institutional access. It will also be significantly cheaper since the State intervention in the process, under the guise of 'modernising the city,' builds in public investment into off-site infrastructure, that are more suitable for private corporate's needs, than several medium and small actors in traditional market clusters. The access roads, dedicated power lines, the graded roadway connection from the elevated roadway running by the side of the market complex to the lower level reflect clearly the richer car driven clientele groups that it strives to serve. All these are essentially subsidies to the project not reflecting in the allocation price of the shops. Since most of the central area pre-dates the Master Plan, urban renewal projects, are used as justification by State to open up such spaces for private corporate interests.

The sixth point is on the complexity of political relationships happening across various levels. Some of these are very direct. For example, one of the present MLAs is an owner of a wholesale vegetable and flower trade in KR Market. Not surprisingly, (as is common in the case of Azad Nager) since hawkers form his important voting base, the MLA intervenes to reduce police harassment and also to ensure de-facto tenure. At other times, political relationships can get quite complicated: The market area being an economic core generates political influence beyond its ward and even constituency boundaries. A MLA of an adjoining ward (with one the largest number of slums in it) took a particular interest in the economic environment of the market because the residents of the slums work there. He said that his effort on improving their economic situation was far more politically advantageous than focusing narrowly on housing issues and where they lived (put exact quote here). There are other factors influencing political relationships. Most hawkers are organised along ethnic and occupation lines. This also has important spatial aspects –a group of hawkers peddling their stock on a particular footpath belonging to the same village and also sharing the same financier. In parallel, hawkers also form loose coalitions with traders to political contacts, often via local party workers<sup>101</sup>. At times, the area party workers operate as a financier to the hawkers and play an active role in their internal organisation. The essence is that all these various forms of organisations allow hawkers to deal with institutions strategically as a group rather than as individuals. This works both ways. For political parties this provides an opportunity to promote a party base. A key political issue in recent times, with the

emergence of ‘activist courts’ around public litigation, is that of changed alliances. In the case of hawking zone, the court order empowered the bureaucracy over the elected representatives – effectively constraining the latter. Here, partly due to the threat of contempt of courts and also their empowerment, the higher level bureaucracy took an active interest in the implementation of hawking zone plan. This alignment of courts and higher level bureaucracy also found support in the middle and elite groups in society. At the local level, it impinged on the fragile relationship between lower level bureaucracy and hawkers. The other trader groups formed alliances with lower level bureaucracy, contributing to worsening of hawkers' tenure security in market. All this argues for a much closer look at what constitutes political clout at the local level, rather than dismissing the ‘local’ on ideological grounds<sup>102</sup>.

Our seventh point, closely relating to the sixth point above, relates to representation and the impact of NGOs in this process. In the initial part of this section and also in phase I we had highlighted the positive role played by activist NGOs in helping poor groups to establish claims. Here, we look at a process of fracture – reinforced by a particular kind of institutional setting where NGOs find themselves in and also promote to an extent. We present a box to ground the discussion:

***Box 29: De-politicising representation?***

In Bangalore three NGOs ‘entered’ into hawking issues influenced by the interventions of a national level umbrella organisation of NGOs and academics in the country concerned with street vendors. The latter apparently, played a critical role in implementing the Supreme Court judgement in some cities. The umbrella organisation organised an all India meeting in Patna. Following the Supreme Court judgement, the Patna City implemented hawkers' zone. The organisation's role apparently was crucial for implementing the court decision in Patna, leading to an International Conference. The main outcome of the conference was the formation of the ‘federation’ representing hawkers in Bangalore. In reality, this is basically a coalition of three NGOs in the city as we discussed in the previous box.

*The first and perhaps fundamental point relates to rootedness. Working with hawkers was not the traditional forte of the NGOs, but promoted by the national level umbrella organisation as an issue to work on and perhaps, where funding is easily available. Our investigations in the KR market suggest that the NGO coalition (or Federation, depending upon how one views them) influence on hawkers' issue is limited both in terms of coverage and their ability to influence BCC in favour of hawkers. In the market ward, the women's NGO works with a group of 100 hawkers and the other with 100 hawkers. In the market ward, one of the large concentration areas of hawkers, both the federations works with two small groups. Their attempts to bring in different hawkers association in the city under its fold were unsuccessful. The coalition claims to have a membership of about 750 hawkers in the city – but the kind of hostility we came across by the Hawkers about the NGOs suggest that these claims need to be carefully reviewed.*

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<sup>101</sup> In some cases, promoting such an organization comes from the party itself. Here, trade unions affiliated to mainstream political parties support hawkers to form an association.

<sup>102</sup> For instance, researchers from divergent ideological perspectives are dismissive of locality and subsume it to macro events. Others in a similar way, do look at the local but assume in a mechanical fashion, a particular unit of analysis – either an MLA constituency or a ward, rather than first understanding and setting out the processes.

*The second issue is of connections and working relationships that affect efficacy. While the national level umbrella organisation has close connection with the higher level politicians and the higher level bureaucrats, the NGO coalition dealt with largely middle level bureaucracy. The coalition could not influence the hawking zones in a major way since the mid level bureaucracy did also not encourage NGO intervention. Thus, the NGOs role in hawking zone was a relatively minor one of facilitating the relatively few members in their operational areas to get application forms, and the necessary documents. According to one activist in the market, whenever the NGOs intervene on behalf of the hawkers in the BCC, the officials demanded that the affected parties themselves directly represent their case'.*

*A third issue was the inability of NGOs to deal with land related issues. The priority of hawkers and the NGOs differed. While the hawkers preoccupation is in establishing land claims to their existing locations, most NGOs focused on starting savings and credit groups. Often the NGOs argue, that membership in their federation and in their programs would enable them to represent the hawkers' case strongly with the BCC. The savings and credit program run by women NGO is a case in point. The Women NGO works with 100 hawkers in the market. This NGO formed saving and credit groups of 10 women each. A leader was identified from among the hawkers who collect Rs.10 weekly and deposit the amount in the office. The NGO then got application for the hawkers under its fold. However hawkers have not paid up the license fee. Our interviews with these hawkers reveal that they saw the NGOs only attempting to create a space for them and severing their existing alliances with the lower level bureaucracy. After the NGOs get what they want, the hawkers would be left and to face the music from the local agents whom they have had to abandon. Moreover, they also thought the NGOs strategy of direct confrontation in the form of strikes, non co-operation with the officials only aggravated the situation.*

*A fourth issue relates to the split within the NGO structure itself. The national level umbrella organisation with good connections at higher levels of bureaucracy, and members drawn from among the elite citizens of the country. In contrast, the NGOs forming the field level coalition is a conglomeration of three small and relatively new NGOs in the city which in our view, seemed to be constantly facing funding difficulties. The latter depend on an umbrella organisation for financial support that was un-stable. A third contradiction stems from the basis of organisation. When the NGO coalition attempted to integrate and bring into their fold the various hawkers associations they found the latter un-responsive. One reason told to us is that these organisations are established with political wherein the local political actors played a critical role in pressurising the system. The associations (rightly according to us) did not feel that the NGOs could exert much pressure on the substantive issues of land and location.*

We have highlighted four issues in the above box to show the serious fracture in representation and its relationship to the ability to spur a political process at an operational level and reinforce institutional access. Legitimacy is not one of merely showing 'membership figures' or essentially buying support by extending subsidised micro-credit capital available from other donor programs. Second, the 'fetish' with building up a hierarchical federation as if to justify broad based representation. This seems particularly dubious when much of the 'levers' of policy happen at a mid-level of organisation within the porous bureaucracy. Building up and promoting federations seem more of a clutch to ensure access to funding and legitimacy in international seminar circuits. We will discuss some of these issues in detail in Section 4 A when we look at several positive and not so positive cases involving not



only NGOs but also different parts of the government. Here, we would like to focus on instead an alternative key agent – the importance of local leaders.

This group plays a critical role in establishing links with political parties. However, this is not an easy job since it hinges on a delicate balance of political relationships of other income traders too with the lower level bureaucracy and party politicians. Our research findings contradict the commonly held notion of ‘local leaders’ as being exploitative agents. As in Azad Nager, the role of local leaders is quite complex. Poor groups need them to establish claims and an essential qualification for a leader is his / her clout with elected representatives and links with institutions. This position allows him to draw flexibly on the support of institutional and political actors to safeguard hawkers' interests. Secondly, they also play an instrumental role in the various types of financing circuits. Their support is necessary for poor groups with minimal contact to get linked to finance circuits, entry to, which is restricted to known and trustworthy members. However, it is also important to define conditions when their efforts are rendered in effective.

Our eighth issue relates to the definition of ‘workplace’, ‘household’, ‘economic structure of hawking’ in the hawking zone plan are far from actuality. For example, the selection of eligible hawkers is based on their residential address. The assumption is that hawkers trading place and residential location are the same. On the contrary, those in the market come from different parts of the city. Pushpa, the leader of a hawker group reside in Koramangala ward in south Bangalore. There are also other hawkers from South Bangalore localities in market. Such hawkers fear that they may not be allotted a place in the market. What the hawking zone probably would allow is a emergence of an ‘institutional pavement market’ for established hawkers spaces vis-à-vis ‘unrecognised hawkers’ with high degree of tenure insecurity analogous to squatter regularisation. The second is the notion of ‘one license per hawkers family’. This would affect the income of hawkers that get licenses. We discussed the structure of household especially of hawker migrants in the box on rural remittances, which shows the complexity of how ‘families’ are defined. There we also discussed that in order to generate surplus, all the members in the family (husband, wife, and grown up children) are involved in hawking separately. Thus each family may have two to three shops or carts in order that they are able to participate in different finance circuits for investments.

#### **4. Conclusion**

We saw in the earlier section, urban settings that are pro-poor such as Valmikinagar is characterised by

‘diversity and density of options’ in economies, land tenure, and politics. KR Market resembles Valmikinagar to an extent in this respect. This allows new poor groups to get linked to city economy. Once establishing a foothold in the locality, they seek to generate surplus for which opportunities exist in market in the form of multiple yet flexible employment, cross learning and diversifying into other profitable economies, easy access to credit for investments etc. In all these aspects the market setting resembles Valmikinagar.

Moreover, KR Market’s history as a traditional market town had significant influence on urbanisation pattern in western wards. Its historical role influenced the emergence of specialised markets, which over time was replaced by other urban economies. However, the ‘localities’ within the market ward retained its penchant for specialisation. Different trading and manufacturing clusters came to be located in market, which expanded and also diversified into other western wards, including Valmikinagar. Complex interlinkages developed across the wards, with different ward economies feeding into other fuelling growth and further diversification, thereby fusing them into a single economic entity. An example is the case of flower hawking, and urbanisation of textile industry discussed in the box in the beginning of this section. Poor groups locating themselves in this economic geography are linked to a variety of economic, financial and social circuits that are operating within Market and in the neighbouring wards. This provides them with wider employment opportunities critical for their survival and upward mobility<sup>103</sup>. While the geography opened up enormous job opportunities, as we saw in box 19, ethnic affiliation helps to specify this into ‘locations’ of cultural connections and identity<sup>104</sup>.

However, we also highlighted some important constraints. One is the particular structure of politics where local claims are diluted. The elite is less rooted in the local economies – as compared to Azad Nager. KR Market differs from Valmikinagar where even within one ethnic group there were different income classes. Thus an issue here for consideration is income polarisation within and between ethnic groups and the way this builds in reciprocal relationships.

One of the important findings of this research has been the rural – urban links and their political consequences. It seems important to explore more detailed issues—for instance, have poor groups in the Market Area have moved up the ladder, done so using their connections to the rural circuits in a

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<sup>103</sup> Here it would be useful to recall, that a large number of middle income groups in places like Valmikinagar, started as market coolies. The case of Ghouseie and Asgar discussed in Valmikinagar are cases in point. Another example is the case of market coolies that move into the city as street sleepers or have some arrangements with shop keepers as in the case of terrace families (Phase 1 report for detail) and generate surplus which is then reinvested housing and other economies in the western ward.

<sup>104</sup> Ethnicity, along with class play an important role to facilitate entry into an economic system. Say poor people coming into to hawk on the pavement of the market. However, we have also argued in the case of Azad Nager, significant mobility happens in a system of cross linkages between different income, skill, ethnic groups and the ability to play among these in a strategic way and being politically agile. Thus, it is not surprising that while a new comer would move first to the market, this is an entry point in to the more sophisticated world of Azadnagar type of neighborhoods.

cyclical way? Who open up trading in the market area and which move out to more peripheral areas or even back to the villages (as we know several have done so).

This case has particularly highlighted the importance of land issues and specifically those of de-facto tenure. In addition, the impact of competing claims in a land market dominated by higher level traders. In particular, we have tried to show that contested territory does not emerge 'naturally' but shaped by public interventions. Here, the promotion of urban renewal shapes it in one way – contrasting perhaps the earlier formative forces. This has important institutional aspects – para-statal on one side and the *porous bureaucracy* on another. Related to this are issues raised about the contrasting role of the judiciary and of NGOs

## **SECTION 3C: LOCAL ECONOMIES, LAND SETTINGS, AND LOCAL POLITICS -- Insights from other parts of Bangalore**

In this section we briefly look at issues connected to economy, land settings and local politics in other parts of Bangalore. This is intended to give the reader a broader feel of development issues in other parts of the city. There are several similar themes to the ones discussed in the cases of Azad Nager and also the KR Market.

### **1. YESHWANTPUR**

*YESHWANTPUR is a neighbourhood located in the Northwest part of Bangalore and one of the case studies in the first phase. It is typical of neighbourhoods in the urban periphery, formed out of agricultural land subdivisions developed in an incremental way. The significant thing about the neighbourhoods here is their relatively open-ended land market. The space available is of various types: Squatting, cheap rentals, un-serviced plots for purchase, rented flats or boarding rooms with high levels of services. Not surprisingly, there are a variety of small micro-economic activities: Retail trade, manufacturing and fabrication. A common sight is the numerous construction retail and fabrication units catering to neighbourhoods that are rapidly urbanising. These economic activities are however, not as intensive as Valmiki Nager, or those in the city market area.*

#### **1.1 Local Economy**

Yeshwantpur offers significant economic opportunities and security for a particular range of poor groups. These relate to opportunities in mainly in the construction sector, trade, market jobs and the garment industry. The neighbourhoods here are rapidly changing like most peripheral areas. An important aspect of this change is the consolidation of economic activities. This is spurred by demands due to new groups moving in as part of the urbanisation process and also due to increasing sub-contracting linkages from industrial areas. However, poorer groups here locate due to the cheaper land options since they earn less with fewer economic options than those in the central city area.

#### **1.2 Land Settings:**

Land has been a key binding factor in the coalition between the various poor groups and the elite. This relates to the way, local society is organised and linked to the history of land ownership. This has many aspects. The rural land owners, who later became developers and also local politicians, are closely

linked to local economy. This is primarily due to the fact that being politically powerful they were able to resist Master Planning and land acquisition needed for it. However, to ensure this resistance, their political base was centred on continuing their support from agricultural labour in return for access to land, protection against eviction, and later, access to economic opportunities. The last fitted into their economic interests centred around land based activities: Construction, real estate (including 'Land Rentals'), building material trade, renting for poorer and middle income groups for housing and also commercial and small scale fabrication. Thus, more recent in-coming groups also tap this structure of reciprocal support and politics to access both land and economic opportunities. This further reinforced the political base of the local elite and it is hardly surprising that the local elite have rapidly moved up the political ladder at the city and some at the State level. The various poorer groups exist in a more secure environment to consolidate their economic opportunities.

An important issue is that given the reciprocal supportive structure, much of the land tenure is de-facto rather than exact titles. This might on one hand seem to be insecure for the poor. On the other, it is precisely the range of tenure options that allow greater settlement in reasonable security, which in turn reinforces the political relationships to avoid demolitions in favour of non-local higher income groups. Access to land is the main driving force for the poor groups. Several things drive the priority for lower financial outlays for land. Poorer groups can be those who aim to accumulate surpluses to remit to the rural areas. There are others with larger families and staying in a more central city location would be more difficult. Then, there are also those who found jobs in this part of the city and thus located a cheap plot to stay.

### **1.3 Political / Institutional Mechanisms**

The politics of Yashwantpur offers opportunities for two low-income groups. The first are the older farm labourers who built on their relationships with their landlords in the urban political and economic arena (rather than their rural connections). The second are recent settlers. Having fewer ethnic and political connections to locate in central city areas, Yashwantpur is suitable for them to tap into the existing reciprocal political system to secure economic opportunities. This is closely related to the way local society is organised as explained in the adjoining column.

The political structure in Yeshwantpur, as in the case of Valmikinagar is structured around the local leaders (slumlords, real estate agents, party workers) - councillor linkages. In the overall political

coalitions, the councillor wields much more power at two levels. At the local level vis-à-vis the local leaders and also at the city level vis-à-vis the higher political agents such as the MLA and the MPs. This contrasts Valmikinagar and Mahadevpura, whereby the higher political leaders have more power in deciding local issues and also develop direct connections with the local leaders and also constituencies by passing the councillor.

The implication for the poor in Yeshwantpur is that the political claim making is well defined and more stable as compared to Mahadevpura and Valmikinagar, which requires political entrepreneurship. While the economic activities here may not be as intensive and hence have fewer options, this is an area that is developing rapidly providing a land setting and relatively responsive institutional space for economies to take root.

## **2. BTM Layout and South Bangalore**

*These areas represent the Master Planned areas of Bangalore housing the middle, and now upper income groups. Initially these neighbourhoods catered to the middle level employees of the public sector, and some bureaucratic elite, factory owners, and state level politicians. In recent times, some of these neighbourhoods including BTM Layout, is the focus of IT firms. These operate out of converted residential houses set up as small and mid-sized offices (in the larger plots here). These firms have also spurred in turn, new kinds of rental markets for their corporate (YUPPY) employees who are encouraged to stay in close proximity to their place of work to take advantage of 'flexi-timings'. Upper class and income Bangalorians always prize neighbourhoods here as being well planned: The large rectilinear plots, tree lined avenues, high levels of infrastructure, posh shopping centres, and the relatively few slums. Not surprisingly, much of the civic movements here have been to preserve this part of the city and save it from un-planned growth and to maintain a 'clean and green' Bangalore: One without slums and garbage. There are pockets of poor groups receding within Revenue Layouts (private sub-divided layouts by small developers) and gramthana layouts (layout on old village land). But these are hidden away -- remnants of neighbourhoods which could not be acquired by the Bangalore Development Authority (BDA) for the purposes of Master Planning.*

*In recent times, the beginning of 2000, many of the un-planned areas were demolished by the BDA to ensure planned development and remove criminal activity. While some local politicians and local groups carried out extensive demonstrations, these demolitions were also strongly*

*supported by residents here on grounds on saving Bangalore for legitimate citizens. The highest authority in the State, the Chief Minister, promoted these moves by the BDA.*

### **2.1 Local Economy:**

The planned neighbourhoods of South Bangalore have very limited opportunities for the very poor. Slightly better of among them, are employed in the construction industry, operate as itinerant hawking, some on pavements, and as domestic help. Other types of economies prevalent in the area include the trading in provision and building material industries. This however, caters to the middle income.

Initially, Master Planned regulations served to exclude poorer groups. In recent times, the early nineties, this situation is reinforced by the high end corporate sector of the IT industry attracted to this location. This has spurred two forces. The first is the opposition by the local residents who see poorer groups as 'downgrading' their neighbourhoods. The second is the institutional interests of the Bangalore Development Authority (BDA) aiming to recover land by demolition. With the high market values, this has brought back much needed revenues to sustain its bureaucracy.

Entry to economic opportunities for poor groups is based on ethnic and functional linkages. However, the lack of accesses to land constraints the entry of new settlers to establish economic activities. Furthermore, the political base of politicians is relatively devoid of a direct land connection as in the case of Yashwantpur. This allows for only a very narrow spectrum of economic activities. Also, the lack of rootedness for a majority of poor to the local economy (in terms of linkages between economic processes) also makes their political claims fragile.

### **2.2 Land Settings**

Land access in the southern ward is difficult for the poor groups. Much of the land area was developed under the Master Plan. Land supply is largely through the BDA for residential purposes. The settlers in the BDA land are mostly the middle and upper income employees of the government and large companies. Land for housing the poor is limited, the highly serviced plots with secure tenure move them up-market. The bulk of institutional supply (via the Master Planning process) is also up-market. The few remaining possibilities are government intervention in the early seventies and eighties taking the form of resettlement sites. This was at a time when this part of the city was considered as the urban periphery. The poor groups have to compete with other income groups for land access in the Revenue and Gramthana layouts.

Interesting points here is why the BDA was able to Master Plan this part of Bangalore and not intervene effectively in other areas like the city market or the western wards. This is basically to do with the fragmented nature of land holdings under ownership of the *Thigala* community. These groups, mostly Tamilians SC, were settled here by the British to grow vegetables. Their fragile claims to the land allowed the BDA to acquire land from them with relative ease. This was also at a time when the BDA was headed by a powerful politician and undertook the negotiations on the issue of land compensation in the field. This avoided legal delays, but the main point was that the Tamilians did not have any political clout to resist the Development Authority.

The BDA's intervention as part of the Master Planning process has led to the rise of conflicts on land titles with contradictory claims. The delays in development, led farmers to sell their land. The middle and lower middle income groups purchased the land. With increased pressure on land from the high-end economies such as software and education. Parallel to it is its' institutional compulsion to provide legal sites or face closure.

The tenuous land claims of the poor are further threatened because of the demand for land from high-end economies such as the software, and education. There is a high demand for land from the high-end economies and housing from its employees. This has had two impacts. The first is the impact on the rental housing market. The second, have been extensive demolitions.

### **2.3 Political / Institutional Mechanisms**

South Bangalore today is the location for extensive demolitions and attempts at cleansing the city of its poor. A core issue in this process is the conflicting claims over land notified for Master Planning, and those settled earlier by poor groups with the support of councillors.

A key issue here is an institutional one. The BDA is directed by a committee where local political representatives have no or minimal representation (2 out of 23). Moreover, this could include 'nominated' councillors -- those who are installed by the State Government in the council. This is even more accentuated since the last elections when the Chief Minister himself has taken on the portfolio for Bangalore development and is the Chairman of the BDA.



The other significant change that has structurally influenced funding policies is the Chief Minister's obsession with promoting the IT sector. This is not seen as being represented by the bulk of small and medium sized firms but the very few larger ones (under twenty). Apart from significant tax breaks, his argument has been to provide world class infrastructure. To this effect, two significant institutional changes have been made. The first is increasing developmental powers and responsibilities to the KIADB -- even more extensive than the BDA in operational territory, and second, the creation of the BATF or the Bangalore Metropolitan Task Force headed by a senior manager of one of Bangalore's top IT firm among other corporate membership. Their agenda has been to co-ordinate the activities of various agencies especially those providing infrastructure to ensure that Bangalore becomes into a Singapore -- the Chief Minister's stated goal. The accompanying box lists out the goals prepared by the four major development agencies for the city and shows the priority given to high class infrastructure.

Need less to say, poor and now even the middle income groups are not integrated into this level of decision making. In parallel, the local councillors do not have much influence within a political structure centred on the party politics and corporate alliances. These factors make it easier for institutions (under the control of State and National level parties) to intervene in the land market to promote investments that only result in an increasingly divided city.

### **3. Mahadevpura**

*Mahadevpura is one of the eight smaller municipal bodies within the Metro area of Bangalore sharing strong functional linkages. Located on the eastern part of the city -- beyond the route to the airport, it became famous in the early nineties as one of the main centres for the real estate boom. White field, a neighbourhood in the south eastern of this City Municipal Committee (CMC), in particular saw lots of people from Bangalore, Indians from abroad, and other metro cities investing in land to develop 'farm houses' or week end homes on large plots of land. This area also became the location of a major spiritual centre attracting disciples from all over India -- especially those with cash to spare. They too spurred the real estate market here. This part of Bangalore has shot into prominence in the last four years with the construction of the IT Park -- a classy glass, steel, and granite multi-storied complex of buildings set amidst landscaped areas which are maintained green even during the severest water shortages that plague this city. This is the State Government's show case to reinforce the connection to the Silicon Valley. Not far from this urban designed complex are settlements that*

*are more like those in peripheral towns: Semi-developed and rapidly consolidating neighbourhoods of small plot clusters. The residents are a mix. The better off having moved here earlier and established commercial and manufacturing enterprises, while the lower income groups have moved from central city areas investing in land -- under-serviced plots.*

### **3.1 Local Economy**

The economic setting of Mahadevpura is one of contrasts. Similar to other smaller municipalities in the metro area, one part of the local economy is centred around small fabrication units, industries, trade activities. Also complimenting this is the retail of construction material that reflect the consolidation of revenue layouts as new settlers move in. In contrast, the State government in collaboration with private corporate groups have promoted several mega-projects here. These include the IT Park, a dedicated industrial for export purposes, and the construction of a elevated expressway. The latter have not benefited the poorer of the local population or the smaller entrepreneurs. In fact, some of these interventions like the elevated roadway disrupted what used be clusters of small industrial and trade units along the major artery passing through this town.

### **3.2 Land Settings:**

Mahadevpura shares the same functional space as a municipality in the urban periphery of Bangalore. Hence the larger urbanisation processes relating to Bangalore influences its development. This is at two levels:

One hand, are poorer groups moving from central city locations and investing their surpluses in cheap land as a strategy of upward mobility. In parallel, small enterprises locating on cheaper land (Revenue Layouts and Gramthana plots). They manufacture products catering to local construction industry and also take on sub-contracts from factories in a industrial park nearby. In contrast to these small firms is the IT Park. An urban designed complex, this requires large plots of land and with it, dedicated and high levels of infrastructure.

The impacts on the land markets due to these developments have been quite different. The smaller firms have evolved out of the actions of small developers operating in close negotiations with the farmers, the local government. The plots vary according to the clientele and also include those with varying levels of tenure and infrastructure. This ensures access to land and also allows the evolution of a variety of sub-markets for rental units, fabrication shops and small scale retail.

The IT Park and its related developments in the form of a dedicated export oriented industrial complex have come out of a very different real estate project. Here the land was acquired by the KIADB, which also took on an investment stake in the project. Other infrastructure has been publicly subsidised and routed via the state government. Property tax too has been reduced although with no permission of the local body. However, the most serious impacts have been on the surrounding land market. The development of these complexes resulted in very wide swings in values. These fluctuations are influenced as much by actual demand, as by public announcements about new projects and their related infrastructure. The fluctuations had an effect of moving out poorer groups and also the smaller developers catering to them. Interestingly enough, the IT Park was located partly on common lands and also partly the land of the President. The pressure on land is not only from the IT park and mega projects, but also from other forms of real estate development. A particular kind of spiritual group may have spurred this in the initial stages, with links to international and national elites including higher level politicians, bureaucrats, industrial elites. This group had wider and popular influence on other groups. Prior to the investment in IT park, and the boom in the land market, the devotees rented properties in close proximity to the 'Ashram', spurring the local land market. During the boom time, this got reinforced as the elite belonging to this group invested in land and property in White field and Mahadevpura. At the time of land market boom in the early 90s, the elites from the city, different parts of India, and the NRIs invested in land in Mahadevpura and surrounding areas of Whitefield. Mostly corporate developers as farm houses and flat complexes developed these plots. The entry of both the developers and their clientele was mostly via their connections with the political and bureaucratic elite at the state level. This too shaped local institutional processes to be more centralised.

Poorer ones could get access to land in Mahadevpura at an earlier period when the land market was structured quite differently. Today, the combination of the strong presence of the corporate sector, the heavy presence of the State Government and the interventions of institutions like the KIADB have shaped access to land and in turn, to the kinds of enterprises that operate there. Poorer groups get hit essentially via the land market. Projects like IT Park in peripheral parts of Bangalore curtails the opportunities for poor to invest their surpluses gained from centre city areas.

### **3.3 Political / Institutional Mechanisms:**

Mahadevpura is a distinct political entity as a municipality in the Bangalore Metro area. However, as a much smaller body adjacent to a much larger political entity and State capital, they are at a political

disadvantage. One important way in which this disadvantage is played out is in the institutional realm. Being in the Bangalore Metro area, the KIADB as a powerful para-statal under the control of the state governments is instrumental in promoting infrastructure and projects that the State governments sees as being important. Lacking any local representation from the municipal council and the MLAs of that area, the KIADB can easily over ride the priorities of local groups. This is also reinforced by the fact that the local municipal council, unlike the local politicians in Yashwantpur, share few links with local groups to secure their political base. Instead, their links are stronger with the state level party political circuits. Since the mega projects seriously impact land values which also benefits the local land owning interests, their lack of local political roots implies less resistance if not open acceptance of the interventions by Development Authorities and other para-statal. Thus, the conflicts over these contrasting forms of development is not only functional but essentially political, and one that is not locally controlled. The State government can intervene and institute control via para-statal agencies directly intervening in the land market to create a setting for the corporate private sector.

There is perhaps another factor influencing this politics of declining space for poor groups. Our impression is that the local elite in Mahadevpura, in contrast to those in Yashwantpur, have a greater interest in finance circuits rather than connections to land. If so, then this too would reinforce their lack of interest in forming an alliance to resist the interventions by the KIADB and promote the formation of revenue layouts. Furthermore, similar to the BTM and South Bangalore case, local councillors are largely controlled by higher level politicians like the MLAs and MPs operating under state party dikats. Another factor is that a large majority of the micro enterprise owners and the settlers in Revenue layouts are migrants from Tamilnadu, Andhra and Kerala. The local elites share economic links (in the form of financing the enterprise and land rent etc.,) with the micro-enterprise owners. However, this link developed in the early stages of Mahadevpura's development, when land values were low and infrastructure access was difficult. Overtime, the micro-enterprise owners formed alliances with migrant industrialists connected to the state level politics. This tenuous links between the micro-enterprises owners and the local elites also allowed for reinforcement of the control by state level politicians. Also, the ethnic conflict at the State level has implications for the bargaining position for the local Tamil groups unlike in KR market and Ulsoor. The latter groups have developed linkages with the two major regional political parties in Tamilnadu.

The emergence of other real estate interests such as the spiritual group, the farm houses and the corporate developers reinforced the control of local politics by the State control.

The interventions have had varying impacts on different groups of poor, settled in:

- Loss of employment for those dependant on trade and transport economies. (elevated highway)
- The SC/Sts employed with manufacturing and also women have managed to rise in the political ladder in order to consolidate their legal status.
- As discussed earlier, the land access for settlers is curtailed.

Thus, the main problem for the poor is their declining political clout within the arena of local government and the increasing control over local politicians and their council by the State government. Mega projects like the IT Park and the elevated roadways reinforce this centralised control based on party based politics. However, it is also true that at present, the institutional influence of Technology park is relatively local as compared the situation in BTM Layout where in the institutional of the BDA via the master planning process is more extensive over a larger urban territory. This however, does not preclude the evolution of a BTM type of situation in the future.

## **Bangalore Section 4**

### **Poverty Alleviation Programs and Politics by Stealth**

*In the preceding sections we have shown how interventions in the forms of infrastructure and land development have shaped poverty in an urban arena. We have made three arguments. The first was to highlight institutional relationships through which the form of governance and local politics influence the way poor groups compete with others over productive locations and public investments. Our research has also shown the important role of existing community based institutions like sangas (associations), the diversity of political agents, and their institutional linkages. Also involved at times, are 'activist' NGOs, and local political activists. Thus, citizenry at various levels influences the actions of institutions to constitute a complex conflict-ridden arena. Our second set of arguments emphasised the centrality of land. 'Being urban' also has to do with location. This is not only in its market aspects, but also institutional and economic. Land is not merely an element of production (along with capital and labour), but also a repository of claims shaped by socio-political aspects. From this perspective, land is a repository of economic processes shaped by 'urbanisation and localisation economies'. This conceptualisation of land introduced our third set of arguments relating to local economies. Cities like Bangalore provide various types of jobs via clustering economies. A closer look at these economies suggests complicated functional and also political links. As important, these economies are inter-linked to the processes of urbanisation via land issues. The previous section is critically important since the common perception among the higher income public, many academicians, NGOs and administrators is that 'slum' and un-planned areas like Valmiki Nager, Yashwantpur, and the KR Market are messy and un-organised. The poor groups are naïve, politically and economically exploited and marginalised, live in a murky underworld of communal conflict. All this requires and justifies proper physical planning, 'social up-lifting,' and social and economic integration with the mainstream. We have suggested a much more complicated situation, if not quite the opposite. In our view, poor groups are active agents and strategize (with various levels of success) to secure locations providing access to jobs, investments in public infrastructure and de-facto tenure.*

*This section is divided into two parts: 4A and 4B. Section 4A looks at the main 'official' poverty schemes -- mostly of the central government (some of which were reviewed in the first phase of this research). Since Bangalore is known for its significant NGO presence we provide a brief historical overview. This form an introduction to look more closely at the Bangalore Urban Poverty Project (BUPP) -- a unique experiment of convergence of NGO-GO funded by the Dutch Government. Evaluated quite extensively, we instead draw upon its operational experiences to highlight two aspects:*

- a) The underlying assumptions that shape official interventions;*
- b) How these assumptions shape in turn, complex political, institutional and personality based interests that converge and conflict, and the consequences for poor groups;*

*We show the distinct fracture between the professed aims of such programs and addressing poverty issues. Here, not only is it an issue of inadequate conceptualisation but contributes to processes that are distinctly anti-poor. Our intention however, rather than a critique of NGO efforts or official PAP programs, is to highlight the importance of the political and economic processes discussed in the first part of the report, and the necessity to examine the messy slum environment in a more accurate way.*

The second part of this section, 4B, deliberates on this pessimistic conclusion. Paradoxically, and phoenix like, this reveals grains of an alternative conceptual framework. An important element of this framework, as we term it, is Politics by Stealth. Significantly, within a governance perspective, this reinforces the themes of land settings and local economies discussed in the first part of this report.

## **A. Poverty alleviation programs in Bangalore**

As we discussed in the first phase report of this research, almost all urban poverty programs have been instituted under the direction of the central government<sup>105</sup>. Prior to the late eighties, most poverty related investments had a focus on developing mass housing and routed via the State's slum clearance board. These also included, but to a smaller extent, the upgrading of infrastructure and services as part of the EIUS (Environment Improvement of Urban Services). The experience of mass housing in Bangalore (similar to other cities) was their poor impact. They were expensive for the State and excluded most poor groups. Most important, these programs reflected a mismatch of priorities, not addressing real issues of employment, lack of services especially water. The EIUS focusing on upgrading basic services in slum areas was discontinued on grounds that it was an engineering approach with out a 'human face'. The official approaches changed its track in the late eighties to the UBSP (Urban Basic Services Program) and the NRY (The Nehru Rozgar Yojana). The former was a community-centred program to improve services (humanising the EIUS), while the latter attempted to address issues of employment in parallel to poverty issues. This change emerged from a congruence of interests. First, there was the relatively successful community based programs like the UCD (Urban Community Development) program in Hyderabad and Visakapatnam promoted by the GOI in the mid-sixties, followed by the UNICEF, and then the ODA. The HABITAT conference in the mid-seventies influenced some senior policy makers. Later, after a critical review of the poor performance of urban poverty programs, the Government of India integrated the UBSP and NRY into the SJSRY (Swarna Jayanti Rozgar Yojana)<sup>106</sup>. There have been some State government schemes like the Ashraya scheme -- focusing on mass housing and to an extent, providing land titles.

There are also important political reasons behind such transitions, and the changing role of the State. From the national government's perspective, allocations to poverty declined in real terms over time. This has also been influenced in part by the competition from other urban development and modernisation programs. Decreasing funds has also coincided with the delegation / decentralisation of poverty programs to local bodies, while the State government took hold of politically more beneficial infrastructure programs. The latter are in turn linked to the emerging institutional power of para-statals under the control of the State Government. This institutional and political structure set the stage to

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<sup>105</sup> In the first stage report of this research project, we had discussed some of these, especially main programs like the SJSRY, the IPP8. We had argued that these had hardly made a significant difference.

<sup>106</sup> See 'Draft Note on Integrated Urban Poverty Alleviation Programs: Restructuring of Urban Poverty Alleviation Programs' Ministry of Urban Development GOI 1996. The report argues that urban poverty programs have covered hardly 10% of the 'officially estimated' number of urban poor in a comprehensive manner (page 11).

extract surpluses from economic processes (and invest these in ways that benefit corporate economies). Poverty programs not surprisingly in this schema serve to maintain the youth wings and lower level workers of political parties.

Bangalore has also been the city known for numerous NGOs involved in development issues. Apart from the centrally funded schemes, a visible initiative here was the Bangalore Urban Poverty Program (BUPP), funded under bilateral aid from the Dutch. Promoted as a new experiment and model of urban poverty alleviation, the BUPP specifically instituted a significant NGO presence in its management. The other significant issue is that the program was linked institutionally to the State Government rather than the BCC. The BUPP was discontinued on various grounds of poor impact. Recently, in 1999, the BUPP was seriously considered as a model for a similar program funded by the Dutch for Bangladesh. This year, it was seen as a model by the ADB (funded under their infrastructure program to be implemented by the BWSSB) as a way to address 'slum' issues here in Bangalore. From a programmatic level, the BUPP experience helps to raise issues that are applicable to a broader genre of such PAPs. Our main purpose is to address issues within the larger urban economy and political structure. Cities are obviously different from each other -- in their political and economic structure. One of our main arguments is that PAPs need to be set within these structures, and even first attempting to understand them. If this is not done, than at best they will remain islands (like the BUPP), or end up being regressive by subverting pro-poor processes like we argue later in this section.

NGOs are significant actors in Bangalore's poverty landscape. Our insights into the world of NGOs come from a variety of sources. The first was the field research meeting NGOs, their field staff, and also local groups' experiences with them. Given the sensitive nature of the issues, most requested anonymity<sup>107</sup>. Another source of information is our own experiences. This is because all of us as a larger research team have been associated at one time or another, with various NGOs in Bangalore and certainly the more important ones. Here, the experience of one of the authors who worked as the habitat specialist with the BUPP was particularly instructive. The third sources are research reports. These are unfortunately very few. Not surprisingly, much of these are case based. In particular, two reports are of significance. The first is by FAIR, looking at voluntary actions and resettlement of poor groups in the early to middle nineties in Bangalore, and in particular on what is popularly called the

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<sup>107</sup> However, it is surprising how extensive and all pervasive is the type of critical perspective that we present here, and the perception of extensive corruption among the elite circuit, the connections with bureaucratic circuits in the process. In short, such information is an open secret -- possibly even with funding agencies themselves.



‘Stadium Slum’. The second is an excellent and detailed documentation and analysis by Rosita Mertens. Mertens looked at Bangalore’s resettlement project in *Laggere*, and the politics of relocation of two squatter communities: The CSI compound and *Shaktivelu Nagar*<sup>108</sup>.

We feel a significant issue of the NGOs in Bangalore is their hierarchical structure. Thus, rather than take a strictly functional categorisation of NGOs (into ‘movement’ types and those which are ‘service’ oriented), our focus is more political and refer to some as elite and the rest as smaller ones, often ‘sub-contractors’ to the former. This might seem too harsh. In our observations however, claims of representation are often muddied by their actual role in the field and reinforced by a closely guarded operational and organisational agenda. Moreover, it is evident that the upper crust is instrumental in shaping the poverty agenda of government and also at times, international funding agencies. The point we wish to emphasise is that the elite NGOs wields significant influence in this wider voluntary system. There are obviously NGOs who play a much more positive and substantive role and we specifically discuss these cases to highlight what makes the difference. It is after all, the systemic issues that we aim to highlight not the personality of individuals.

Since NGOs played an important and distinctive role in shaping the outcome of the BUPP, it is useful to undertake a quick historical overview before looking at the institutional and political consequences of the programs.

### **1. The Changing Structure of the ‘Voluntary Sector’**

There are several important issues relating to the evolution of NGOs in Bangalore. One important dimension of this seems to have been that of identity / visibility as it was shaped to a particular historical structure of institutional politics. This institutional transformation of NGOs is related to several influences such as the changing NGO-GO relationships, the nature of international funding for the ‘voluntary sector,’ and changes in civic society. Many NGOs started as small groups, some times individuals in the early and mid seventies at the time of the Emergency. They reacted to the repression of poor groups by National State, and largely driven by a Marxist / Liberation Theology of the Church. In the mid-seventies for instance, NGOs then did address land issues. This was in a more confrontational way, and over attempts to push the State to provide absolute and clear titles. Funding

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<sup>108</sup> There is also a third report that we drew upon for the first stage of the research. This is a compilation of papers intended for publication by Hans Schenk from the University of Amsterdam. While this focused on a general range of issues, this report provided useful insights into local politics and tied in field level data.

support for such NGO activities (from local or international foundations) was also decentralised and related to the particular activism that NGOs were involved in.

We will show how particular concepts like doing proper housing, resolving land titles in a complete way have shaped voluntary actions. This too has an important history to consider. Housing as a strategy evolved initially among the large NGOs initially to ensure stability for poor groups in order that they may secure continuous employment. The strategy was influenced by the political and institutional situation in the city in the early 1980s. A majority of squatter settlement was occupied by the Tamilians. Many institutions responsible for urban development and political parties viewed them as a major burden on the city. Large scale and arbitrary evictions of Tamil settlements were undertaken and large resettlement sites were created on the periphery. The Koramangala resettlement site, one of the largest in the city was an outcome of this policy<sup>109</sup>. The victims as well as the NGOs representing them, operating in an environment of institutional and political hostility did not have much option to resist the state interventions. Also, in many cases, many of the NGOs were formed by Tamilians. The main strategy used was a legal one, obtaining a stay order to help delay eviction. Although tenure transfer did not usually happen, the legal strategy helped the poor groups to hold on to their location for a longer time. This helped them consolidate their de-facto tenure status. As we shall see later in this section, this is a critically important issue and a contrast to present NGO approaches<sup>110</sup>.

In the mid 1980s however, the government moderated its stand towards the squatters partly due to the vote bank politics and partly by the international pressure. The poor groups simultaneously gained a foothold in the party politics. Simultaneously, the demand for absolute land tenure and housing gained popularity among different actors in the international and national arena. The compulsions at the local level together with the support from these groups, led NGOs to reinforce their stand on land tenure

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<sup>109</sup> The feeling that Tamil poor groups are benefiting more from government programs especially in accessing land pervaded the senior level bureaucracy even as late as 1990s. One of the senior level administrators commented on the excessive attention given to Tamilians slums in regularization while in contrast, the Karnataka poor settlements are being neglected

<sup>110</sup> The increased popularity for housing concept came from wider influences. One was from the national movements such as the National Campaign for Housing Rights (NCHR) and subsequently in the international arena (UN) enabled the NGOs especially the large ones to strengthen their stand on 'proper housing'. The housing strategy also gained popularity among the different NGOs in the city because of the alignment of different national and international forces. Since the 1980s, the pressure on the state for tenure regularization and for increased involvement of NGOs from the international funding agencies especially the World Bank, contributed to a shift in the State's attitude towards the NGOs. In Bangalore the wide publicity given to an NGO demonstration project increased the clout of those involved in housing issue. These events also opened up the possibility for large international funding for housing programs.

issues -- but to stress complete tenure rather than the earlier efforts at fire-fighting strategies of supporting court stays on evictions. The emphasis on resolution of tenure allowed NGOs to promote a more comprehensive 'housing' agenda towards a 'physical construction of houses'. Such an approach emerged by several compulsions at the local and in the larger arenas. As we shall discuss in detail later in this text, the housing agenda provided an easy entry point for the NGOs, especially when they had to compete with local political groups and the elected representatives to establish their legitimacy with poor groups.

Our impression is that by the late eighties to mid-nineties, this situation had consolidated in four ways: First, the State has changed their stand to take on a more 'support' based ideology -- but with a 'housing' focus (even if it required resettlement). This has effectively diffused structural issues of access to land and consequently employment providing locations. NGOs, driven from contrasting ideological perspectives find themselves sidelined in their traditional confrontational role, but called upon as partners in this process. In any case, their involvement in the local political process was never an easy one on grounds of legitimacy, and the housing role addresses this problem to a degree.

The second change relates to parallel shifts in thinking on urban issues in the international arena. There, attention increased on the possibility of the voluntary sector taking over the bureaucratic arm of government. In effect, this also centralised funding flows. In parallel, the emergence of particular 'themes' also helped the agenda for funding. Voluntary action took the shape of civic management rather than one of civic activism. This turn of events has also been suitable for funding agencies, given the visibility of projects and also being a simpler accounting system to reduce their own bureaucratic apparatus.

A third change is that of the NGOs themselves. The larger and more influential of these have taken on a federated system claiming to form national alliances at the national level. By the late eighties and early nineties, their connections to international coalitions were well consolidated. This has evolved into a useful strategy for NGOs to ensure both political and institutional links at the higher level. Claiming wider membership has helped to legitimise their status on several fronts:

- a) To funding agencies some of who are increasingly sceptical of corrupt high-flying NGOs.
- b) To official PAPs in claiming representation of the community and thus be designated as negotiators for funds and policies.

c) As an attempt to link with mainstream politics by a claim a larger local base -- beneficial during elections;

At first glance the federated structure may seem to be a useful role. However, the constituencies they claim to represent are actually small, and also they raise issues at political levels that actually have a regressive impact for poor groups. Often these serve the short-term interest of the NGOs while using the 'mass' of poor groups like political fodder. The large NGOs incorporated into the institutions at the national level that are often disconnected from local reality. Apart from NGOs claiming federated representation, there are now bewildering range of NGOs. These include for instance, parts of the corporate world, trusts all claiming to do social service or take on civic responsibilities. Thus in one sense, large NGOs incorporation into the state programs serve as a useful strategy for co-opting them. At another level, the small NGOs (starved of funding) serve largely as sub-contractors within a narrow and rigid implementation framework -- also useful to fulfil the funding agency criteria for NGO involvement. In recent times, 'activist' courts have passed significant judgements and strictures aimed at better city management with very regressive consequences for poor groups. Our field information is that the NGO community has often indirectly promoted these, uses the legal system to open up an institutional space. This helped the elite among NGOs (and similar groups in other cities too) to network and influence the routing of funds and the agenda of development.

A fourth change has been a congruence of the elite NGOs with the upper level bureaucratic system. Initially, most senior level bureaucracy was very reluctant to involve NGOs (given the memory perhaps of their confrontational stand). There were exceptions with some bureaucrats genuinely viewed this opening up as an effective way to de-bureaucratise government. This may have been motivated by their frustration in dealing with their own administrative system: The deeply entrenched local level politics and administrators 'misusing' the planning and administrative system, the lack of effective 'civic' voice, and being caught up in implementing top-down decision making directed by their political superiors. This may have also been viewed as a way of filling in a vital gap in the development and management process. By the early nineties under pressure and publicity of international agencies, and the changing face of NGOs themselves, increasing number of bureaucrats accepted a more active role of NGOs<sup>111</sup>. They see the involvement of corporate NGOs (with

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<sup>111</sup> See for instance, GOI 1996 Draft note on Integrated Urban Poverty...' Page 14. This explicitly suggests'.. more than the bureaucracy and the ULBs, the NGOs are better suited to organize the community and evolve suitable structures for such participation by the community. Therefore, NGOs should be involved not only in the task of community organization but also policy formulation, programme implementation and monitoring and evaluation. A separate cell within or outside the

management skills<sup>112</sup>) who have connections to smaller field based ones (closer to the people) would help to professionals urban management, bring in new skills, while making planning more responsive to the people. Today, there is wide spread acceptance of NGOs to handle as many civic functions as possible, especially the politically sensitive and un- remunerative ones. This includes solid waste, neighbourhood crime watch, poverty alleviation programs, and maintenance of traffic island and parks as landscaped areas. The common perspective by activists and also NGOs is that this is advantageous to these bureaucrats in several ways:

- a) To reduce their own civic responsibilities, especially when local government faced budgetary restrictions and a ban on new recruitment;
- b) It also provided an image of 'visibility,' and an effective apolitical system of civic participation on largely middle class views of governance. The wider publicity via 'best practices' which now has standard formulae fed very well into this process;
- c) This could also help to dump off the most troublesome aspects of civic governance -- programs of poverty. In parallel, this maintains the 'more remunerative' physical infrastructure programs involving large civic contractors;
- d) To counter pressures by the lower level of the bureaucracy (and their alliance with local politicians). This also by default, enforces compliance to the higher level political and bureaucratic interests.
- e) At an operational level, the dualistic structure of NGOs is also particularly convenient for the higher level administration in dealing with difficult civic issues: Garbage management, poverty programs. While the large NGOs are incorporated in the institutional programs at the decision making level, they can also be used to ensure implementation at the lower field level by smaller field level NGOs<sup>113</sup>.
- f) There is another more direct interest emerging in recent times. The polarisation of the NGO world into elite NGOs. In the seventies and early eighties, those bureaucrats who joined NGOs or started them were often type cast as being radical and switching over. This was not without truth, given the NGO structure of those times. Today, the story is quite different, and an important employment opportunity for retired bureaucrats are either in an international funding organisation, or one of the elite NGOs<sup>114</sup>. Recently, this is reinforced at a mid-career level with a rule allowing

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Ministry of Urban Development with separate financial allocation may be created for extending help and cooperation to NGOs.

<sup>112</sup> A significant issue is the link between the corporate management schools and NGOs. Since the latter cannot afford the management salaries, a bridging grant is made to the NGO to cover up the difference. One can imagine however the serious internal conflicts within the NGO that emerge due to these disparities. Equally serious would be the consequences on the field. Those facing complex political and community issues especially in the case of poorly conceived programs would be poorly paid, face unstable employment prospects and having to mindlessly implement tasks drawn up by managers in the central offices. Obviously there would be some managers who indeed work in a more field-oriented way. Our conversations with several field workers suggest otherwise and strong resentment. This internal divide within the NGO is communicated very fast to local groups – often in great sympathy to the field workers while build resentment to senior NGO staff.

<sup>113</sup> This is particularly attractive to the bureaucrats. One is obviously to reduce costs of salaries of the lowest level municipal staff, who are now replaced by field workers can be on the payrolls of the NGOs at much less salaries and security. Also, if the NGOs can be helped to get access to donor agencies to subsidize this effort, all the better. Any local criticism against the service can be deflected to the NGO concerned and to those neighborhood residents whose civic consciousness draws them into such efforts.

<sup>114</sup> Noticeably, if one looks at scholarships for short term courses (under project / program funding, bi-lateral exchange programs, even general government scholarships) most of these seem to go to IAS officers or senior staff of large well connected NGOs. Few go to for instance, the lower level field staff, community workers, and those who actually stay

-serving officials of the IAS to join NGOs for a period of five years while in government service. This mechanism works both ways. It helps to ensure the compliance of the larger NGOs to the mainstream political and administrative system -- given the fact that almost the powerful IAS lobby shapes all of official policies and implementation. It also allows the administrators an entry into international funding opportunities<sup>115</sup>.

For the elite NGOs too this direct bureaucratic link serves a critically important purpose. It opens up channels to government funds and also an opportunity to politically use the administration to counter opposition from political opposition. For the emerging breed of NGOs, as professional urban managers, this alliance with very senior level bureaucratic circuits has been a useful turning point. Here, there are powerful 'sticks' in addition to the 'carrots' that we have been discussing<sup>116</sup>.

A fast emerging profession is that of urban management consultants. This includes retired bureaucrats and technocrats from the government system, as well as younger graduates from the various planning and management schools. With limited or no opportunities in the public sector due to severely restricted recruitment, this professional space is critically important. Similarly, there are several research based NGOs. In most cases, the entire 'public' interface is with the higher circuits of the bureaucracy<sup>117</sup>. This is mainly to gain 'public' legitimacy and also access to data. There is little or no contact with the political circuits especially at the local level. Any political contact remains at the level of field interviews and within the realm of pre-determined structured questionnaires 'refined' by sophisticated computer programs. The issue of a 'local voice' is of paramount importance here. We would argue that much of this technical refinement actually acts as a subterfuge -- convenient for the NGO, often the funding agency rather than the group who that is supposed to benefit<sup>118</sup>. In the next

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through the project. It is common knowledge that the shopping trips are also used to buy presents to be later given to bureaucratic and political bosses as a way to move up the official hierarchy. In recent times, this has also become a trend for State level politicians to go on a foreign trip. The latter has come under severe criticism in the press, but the former is seen to be quite routine and internalized within bureaucratic circuits.

<sup>115</sup> As we shall see later, there are powerful personal interests too, relating to the possibilities of money and post retirement benefits. It is hardly surprising that the IAS officials join the elite of NGOs rather than the smaller street side one struggling with day to day activism.

<sup>116</sup> There is a more sinister trend that reinforces the bureaucratic connection and ensures compliance on controversial issues. The GOI via its Home Ministry (an equivalent of the Ministry of Interior) can withdraw or review the FCRA (Foreign Currency Regulation Act) clearance required to receive donor funds. This is in addition to visits (that can be at time monthly) by intelligence agencies probing 'anti-national' activities. The recent anti-missionary stand of the allies of the central government has also resulted in reviews probing 'conversion' activities. An issue discussed during a meeting on the UNDP's HDR related to the shrinking space for dissent with police criminal cases being slapped on to activist NGOs taking an explicit public stand reinforced by an increasingly conservative and corporatized media.

<sup>117</sup> For instance, the common whipping boy of most urban management research is on the in-efficient lower level bureaucracy and political representatives of the municipal government. There is little or almost no attempt to address the larger issues that relate to the relative jurisdiction of local vis a vis State and Central governments.

<sup>118</sup> It is hardly surprising the much of research data generated at the best is not operational, and at the worst, can be used to justify technocratic and 'management' interventions that further reinforce institutional suppression of poorer groups.

part of this section, we raise an even more fundamental point: If much of the mainstream planning and administrative system is regressive to poor groups, and the latter survive with the support of more 'underground' political and administrative processes, than would efforts like making 'public' decision making actually benefit poor groups?

While NGOs in the mid-seventies drew upon Marxist ideologies or that of a liberation theology and claim to still draw on these, their actions on the ground are far removed. If one were conventional, we would argue that the NGOs have been co-opted by the system. A more radical perspective could hypothesize that the elite NGOs groups are now one of the main players in shaping the system to be increasingly repressive to poor groups.

In the context of the above discussion, it is hardly surprising that on crucial issues that structurally affect poverty, the impact of NGOs seems minimal. The minimal presence of large NGOs in locations where poor groups congregate for work and living (Central city Market areas or neighbourhoods like Valmiki Nagar). While there might be components of a larger NGO program (issues like education, health and environment) these efforts tend to remain as relatively minor components of their regular activities with little effort to link up to larger issues of city management. There are also some NGOs who work on the issue of street children related to service provision, institutional support and rehabilitation. While these have a positive effect, they remain relatively overshadowed by much more critical issues that confront local groups relating to conflicts over locations, institutionally influenced in-secure tenure -- all of which directly impact the nature of employment and poverty. Interestingly enough though, there are also single person 'activist NGOs' who do operate in the more difficult political terrain of the central city areas. Often engaged in an intense political process involving structural issues of land regularisation and access to mainstream services - such small efforts have had a significant and positive impact, although in specific locations.

It might also explain why NGO action is conservative and tied to an image of a planned environment -- the Master Planned areas of south and east Bangalore. These approaches fit very well with the interests of the residents in these neighbourhoods. These groups, as 'civic society' lobby for a 'clean and green' Bangalore, and implicitly to push out squatter and hawkers out of their neighbourhoods. In recent months, the State controlled planning and urban management institutions has initiated a massive drive against 'un-planned' and illegal growth and 'unauthorised construction' drawing support from the upper middle and upper income residents of these neighbourhoods. The elite NGOs however, have

maintained a steady and stoic silence. At one level, this may relate to a class issue -- their social position among the upper circuits in society. For instance, most share very similar 'governance circuits' with higher income groups to influence bureaucratic and political interests. It is quite common knowledge in NGO and other social circuits, about the substantial investments made by those heading NGOs into 'farm-house' land plots, large vehicles, and other consumption goods<sup>119</sup>. This issue is obviously a complicated and controversial one. The resources that fuel such an economy relates closely to the planned environment. One can hardly expect an elite NGO to question this situation. This class issue, hardly surprising in the context of India's fractured society along income and ethnic lines, also means that there is also a great contrast between the elite NGOs and smaller ones. The 'sub-contracting NGOs' draw their leaders and employees from mainly middle income families. The employees and field workers often face extreme instability of employment, salaries -- often worse than industrial workers. With this introduction and discussion on the world of NGOs, we focus more specifically on the experiences of the BUPP.

The BUPP (promoted both by the Dutch Development Co-operation and the Ministry of Urban Development GOI) was initiated on November 1993. It sought to promote a 'new model' of poverty alleviation centred on partnerships with NGOs, convergence of community efforts and public services. The concept was set within a 'participatory bottom-up planning towards empowerment' and aimed for 'sustainable solutions'. The BUPP came under severe criticism for a variety of reasons. The main reasons related to the lack of spending, the narrow focus on a few selected slums, lack of capacity of the staff, and lack of financial convergence. While these may be relevant from a programmatic perspective, we focus on the institutional - political consequences of such programs. To summarise, the main concept of the BUPP was centred on developing 'new institutions at various levels'. The main ones were:

- a) At the slum level, Slum Development Teams (SDTs) with 50% women;
- b) A BUPP Steering Committee (SC) of five GO agencies and four NGOs responsible for decision making and 'supervising' the program;
- c) A Project Support Unit (PSU) headed by an executive director and supported by three sub-units: Social; Habitat; Economic areas with a project advisor consisting of a Dutch expert in PA.

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<sup>119</sup> This is very similar to investments made by the elite of the city, and logic relating to the way 'black' or cash surpluses can be converted into 'white' or accounted money. Officially though at times, the farmhouse might be officially shown as a training center. The farmhouse is convenient since it is also more 'hidden' investment as compared to having an ostentatious house in the city. There are other 'more hidden' investments possible, while some like a sleek car or extensive use of mobile phones are only some indicators.



It is important to note that the NGOs in the SC were supposed to rotate but this never happened. We now focus on three key themes emerging from the BUPP. These relate to the stress given on housing, on organising the poor, and on Income Generating activities. The important point to note is not only the particular issue but also its multiplier effect on other issues (some more fundamental ones) and the way a particular focus shapes the operational politics.

## **2. The Housing Fetish**

An important focus of NGOs in Bangalore (and elsewhere) is 'housing'. Here, we intend to highlight not only the perspective of shelter, but rather, in the way critical issues like land, the local economy and the institutional processes are addressed. The 'housing concept' as pursued by NGOs (starting in the mid 1980s) encompassed the formation of regular layouts and the construction of permanent structures. Not surprisingly, this approach reinforces from an institutional perspective, a non-municipal program, which further distances the local government from any real purview. Housing as a driving force, brings together a variety of NGOs. There are some NGOs who focus on the actual construction of housing using appropriate technology, while others lobby for special finance schemes for this purpose, still others promote micro-credit, and community based labour. There are also those who use the housing platform to lobby at a national and international platform.

The box below, drawing from the experiences of the BUPP, describes the consequences of such perspectives.

### ***Box 30: Housing and de-housing the poor: The case of Egipura in East Bangalore***

*In the early eighties, different poor groups from various locations in Bangalore were evicted due to various developmental works in the central city area. These were re-located to Koramangala, a newly developed neighbourhood then on the city's southeastern outskirts. This was a squatter area called the Indira Gandhi settlement with 350 families. In the early to mid-nineties, this same location was selected as the site for the construction of the National Games Complex under central government funding (HUDCO). This was a huge mega-complex of 2300 high quality apartment blocks to house the athletes and later to be sold / allocated by the State government. This development led to a second eviction of the families and their resettlement into a proposed housing complex at Egipura. These evictions and the fact that the proposed mega development was to be located on a lake bed resulted in an intense political movement involving NGOs of various types. There was also in part, a conflict between the environmental NGOs and those protesting against the evictions. This project being promoted at the height of the boom in Bangalore's real estate market had also generated powerful bureaucratic and political interests at the highest of levels<sup>120</sup>. Not surprisingly, all this also resulted in two fires in the*

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<sup>120</sup> It is common knowledge that an important political and driving force behind such large mega projects relate to the extensive kickbacks from the civil construction works which is often routed at the highest of systems. The point here however is not the 'moral' aspects. The main point here in this discussion relates to very different circuits of corruption and which group is affected. For instance, in the construction of a small drain within a neighborhood, it is almost sure that the contractor has to pay off the system -- possibly involving the councilor and the local leader. This is an open secret in the

*squatter settlements in an effort to push them out. This was also propelled by the construction of a retaining wall next to a drain. This resettlement lasted about nine months. It was a complicated process centred on deciding on who gets resettled and deciding on the legitimacy of their claims. This was highly politicised with the settlement being organised under two leaders. Most of the poorest (tenants and sub-tenants) had already lost out in the beginning stages. Some 'land-owners' too lost out since they supported one of political leaders who could not establish their claims during the negotiation for new plots in the resettlement program. There were others too who lost out -- people who due to their jobs, were not able to ensure a sustained presence at the negotiations and thus 'participate'. There are no records of how many tenants and sub-tenant families lost out among the 350 residents, but it is likely that there were about 100 such families. In addition, there were about 50 landowner families who lost out implying that about 150 odd families did not get any form of compensation even at the initial discussion of the project.*

*The State Government was promoting multi-stored development but the community wanted plots -- which would not accommodate all of them. This promoted 110 families from the community to seek land. This group was supported by a loose coalition of NGOs who later also became members of the SC of the BUPP. The NGOs then got the BUPP to adopt this case as a project site. The housing issue in Ekipura however, has a complex background to it. The representatives from the Dutch funding agencies initially (pushed by NGOs) argued with the senior bureaucrats at the State level for a more radical position on land issues (land in central locations to be provided with complete titles for all slums) but found a tough audience in the bureaucrats<sup>121</sup>. The latter's arguments was simple -- the meagre funds provided under the program of bilateral aid did not justify such a radical solution. As a fall back position during these negotiations, the Funding agency-NGO coalition agreed on a limited housing centred poverty program. The NGOs pushed for land issues -- but defined in the form of complete titles since this was the basis for complete housing. In addition to all this, and as a strong undercurrent, housing also provided direct possibilities to make money on the side via the construction contracts<sup>122</sup>. This resulted in a common meeting ground forming on housing. Significantly, there was no discussion at this project formulation stage, with any of the political representatives at the local or state level, and none with the elected representatives of the wards that had these slums.*

*The stress on good housing had immediate consequences for the residents. The resettlement process had shifted out the poorest of the poor, and by default pre-selected those with a capability to 'participate.' The financing aspects had serious consequences on this issue. The housing unit was priced at Rs. 40,000. Local groups were shown three options: RCC, Asbestos Sheet roofed, and the last with a thatch roof. The financial implications for these were options were not discussed in great detail, and it was implied that housing would be subsidised by the project. The construction of RCC housing was seen as a way to save time, reduce costs, and result in a neat visual appearance. Thus, the congruence of deciding interests selected the option of the RCC house. For the cost of construction of Rs. 40,000, the families were to pay Rs.20,000. The rest of the Rs. 20,000 was from the government. The bi-lateral Dutch funds routed through the BUPP contributing Rs. 5000 (for a toilet). Since there was no loan agreement this*

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community and often used by them to pressure both the contractor and the local leader to make extend other infrastructure works although these are not part of the contract. In the case of Mega Projects, decision making is at the highest of levels and cut off from local level groups. The compliance of local leaders and councilors is bought and ensured by the State level party structures and community discipline would be reinforced often by violence -- in the case of Ekipura, fires started in the settlement and followed by the Chief minister making a site visit to hand out compensation.

<sup>121</sup> The project director of the BUPP himself thought that poor groups would be overstepping themselves in claiming access to land which as he put it, '..They had not inherited from their grandfathers!'

<sup>122</sup> Corruption in the BUPP, as other programs (both public and private) started off in a small way and across all departments (bills for day to day petty cash being mis-represented to make an extra buck or two on the side). Housing or civil construction works scales the whole process up. Not only is the amount of money more but several more possibilities. Also, our information is that this involved a wide range of groups: The PSU staff, the contractors obviously, the NGOs and also the residents who would appropriate with the knowledge of the contractor, building material on the site at the end of the day. Corruption in the BUPP was an open secret within the organization and also at the level of the State Government. It is also believed to have resulted in the resignation of a senior project co-ordinator.

*amount was consequently written off. In addition, the families also had to 'participate' by contributing their labour.*

*This process of exclusion was reinforced by the emphasis on maintaining a clean and neat housing environment until all the houses were constructed and project inaugurated. Since the project had to be inaugurated, the families were under great pressure to complete the construction of their houses. Most families took loans from the private market to complete their houses, and fell into serious debt. As a way to raise funds and pay back instalments, they sub-divided their houses to rent a portion and started small shops and service enterprises. However, transforming the slum into new and clean housing -- without the 'misuse' of housing with shops and rental units was a powerful symbol for the key decision-makers involved: The senior and middle level administrators, the project director, and also for most of the elite NGOs in the SC.. The Secretary for Urban Development for the Government of Karnataka specifically mentioned that he did not want to create another 'slum'. The Project Director of the BUPP strongly supported this idea and was keen that the project should be 'inaugurated' in a visible way, and thus should look like proper housing. The NGOs too pressed for housing -- symbolic of their achievement in getting land allocated to the residents<sup>123</sup>. Due to this combined opposition, there were a series of raids by the administration to demolish the shops. In addition, rooms made out for renting were locked up and sealed. The residents were also specifically told that they should not alter the newly painted houses until the project was inaugurated. There was only one lady who could resist the pressures of the administrators, the NGO and the project office and still maintained her tea stall. The local leaders could not help the residents resist these demolitions since they themselves had been split in the initial stages of re-settlement. Their lack of support further damaged their credibility and by default, increased that of the NGOs. The latter, with access to international funding, gained substantial bargaining power filled up this gap. Several of the residents fell into serious debt with this incident and had to move out of the settlement.*

There are several important issues that emerge from this case. The first issue relates to the concept of 'mainstreaming.' Here, providing 'good' housing is justified as a way to 'integrate' poor groups with the city. The important thing here to note is that 'housing' relates to the formation of regular layouts, construction of permanent houses, and civic facilities like community centres. These (in a rather Victorian perspective) are perceived to be essential ingredients of a 'civic' environment. The broader image here is of a 'planned city'. This case shows how this 'housing' justified by this larger vision becomes attractive to a wider congruence of interests and sets in place a particular type of power structure within the project at several levels. In this and other cases that we will subsequently discuss in this section, this includes NGOs, the senior administrators and the project office.

The second point is that doing 'proper' housing also shapes broader level relationships that serve to exclude more substantive land issues. Such projects, as dedicated poverty projects, have funds routed via the central government. As a result, these are almost always negotiated with senior administrators of the State Government. Here, senior administrators can rarely be expected to publicly take a position

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<sup>123</sup> There were other hidden agendas. An important one was the possibility of diverting substantial amounts of money during the construction process. This would be routed to most people involved but in varying amounts: The NGOs, the project staff, lower level administrative officials, the local leaders and also the community representatives as the project. The contractor too could benefit from this process and put down the issue as losses.

on land issues -- to promote de-facto tenure, which would help the poorest of the poor to remain in central city locations. On the other hand, political agents (especially those at the lower level) who under community pressure can be expected to promote a more grounded approach have little space in policy making. Neither the BUPP's organisational structure nor the process involved provided any legitimate role for local representatives. NGOs were seen to be the sole representatives of the 'community'.

The third issue relates to a common justification put forward by NGOs for a housing approach. This is made out on grounds that doing 'proper' housing provides poor groups with urban resources that they have been deprived of by other higher income groups. At first glance, this seems a laudable radical agenda. To attain this objective however, large NGOs stress on the need to have absolute legal rights to land, since this also allows them to undertake (or promote / support other NGOs) large housing projects. By default, as we have seen in the Egipura case (and this experience gets repeated in other cases described below too), this approach only worsens the claims of the poorest. This allowed for a powerful politically visible move of 'equality' by 'allotting' equal sites with a 'proper' *patta*. This contrasts earlier more humble approaches by NGOs and some Government programs too like the UCD program) who used to work towards establishing and strengthening de-facto tenure. While the NGOs used to achieve this via stay orders from the courts and strategizing to get services and basic infrastructure, the UCD programs did this by empowering their community officers to be 'gazetted officers' with an authority to document claims as they exist on ground which could be used as evidence in court. In contrast to those more positive approaches, the current housing based approach means that in operational terms, this translates into demolishing existing structures and allocating equal plots to the 'residents' as determined by the NGO.

The fourth issue is one of corruption. This helps to bind various interest groups in the process: The contractors, the project staff, the NGOs, the local politicians, and also the administrative circuitry. Corruption is present in almost all civil works. This is so pervasive that it is hard to imagine a situation where this does not happen. The point here is that doing housing takes it to a much higher 'energy' level. It is hardly surprising that with the BUPP, all the NGOs including those who had never dealt with housing were keen to undertake housing. This is a theme that recurs commonly in several other cases too and must be seen in the context that the structure of BUPP's organisation being very loose on internal procedures and 'checks and balances' facilitated this to happen.

A fifth point (and one that will also repeat in other cases) relates to the insecure and tenuous base of the NGOs working with poor groups in the city. Having had to compete with the local political leaders at the various levels, resolving land tenure in a complete way and providing housing issues were useful ways to gain establish legitimacy in a neighbourhood. As we see in several cases including this one, the approach on land issues is almost always with very few exceptions, to promote its de-jure tenure status<sup>124</sup>. This approach provides NGOs and programs like the BUPP with an opportunity to implement ‘housing ‘ programs. Such programmes provide greater visibility to the organisation and thus enhance the organisational status vis-à-vis the other NGOs in the city and institutions. Housing is of vital importance for NGOs and programs that aim to highlight their anti-poverty impact.

We have mentioned several issues that are reinforced in looking at other cases. To further reinforce our arguments we look at the case of *Krishnianpalaya*. We discuss this case later in the text (*Politics by Stealth*) as an illustration of a situation where a senior IAS administrator used administrative strategies that had a significant pro-poor impact. Here, we focus more on the roles of the NGO and the BUPP in this project.

### **Box 31: Krishnianpalaya -- The politics of ‘inauguration’**

*The Krishnianpalaya slum is located on land belonging to a Public Sector Undertaking -- The New Government Electrical Factory (NGEF). The slum evolved as a settlement of construction workers who were brought in during the construction of the NGEF factory. Land tenure here was in a particularly precarious situation and residents here faced several serious institutional hurdles in establishing claims. This slum was listed under the Karnataka Slum Clearance Board (KSCB) rather than the BCC. Slums under the KSCB, are known to be particularly prone to resettlement -- due to the emphasis of the board to construct multi-storied housing. Being an organisation controlled by the State Government, access of local level political agents is more difficult. Consequently, simple infrastructure civic improvements are much more difficult. This situation was further compounded with NGEF's imminent closure as a loss-making unit, and it was transferred to the BFIR (Board for Industrial Restructuring). Often, the BFIR views the extra land as a commercial asset that can be tapped as a resource. This would obviously make the squatter settlement more insecure. Another important factor is that the BFIR is a powerful central government body -- part of the powerful Ministry of Industries. Moreover, being an autonomous body means that, leaving aside local, even state and possibly national level political pressures (being routed via the lesser important Ministry of Urban Development) these would have little or no influence to avoid the eviction of the slum. Also to complicate matters, as part of this process, the land parcel adjoining the squatter settlement was to be sold to the military establishment. The latter objected to the squatter settlement and as a result the negotiation could not be completed. This gave a further impetus to evict Krishnianpalaya.*

*The BUPP and the NGOs on its Steering Committee (SC) decided to take on this particular case as part of the project as a ‘difficult case’. Three of these NGOs form a close working coalition, each focusing on particular issues: Housing, women's issues, and mass organisation<sup>125</sup>. When the BUPP project*

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<sup>124</sup> An exception is the case of Nehru Nager discussed later under the section: Politics by Stealth.

<sup>125</sup> It may be relevant to mention that the leaders of two of them (one concerned with gender issues and the other with claims to be a mass based organization of slum dwellers) are married to each other. Since these NGOs often work in close relationship, we refer to these as a coalition.

*started, this coalition of three NGOs was on the SC of the BUPP. This gave them access to the higher level institutional bureaucrats<sup>126</sup>. One of them, the NGO (claiming to be a mass based organisation and representing slum dwellers) worked in this slum since 1970s. Despite their long involvement however, they were unable to resolve the land issue. Moreover, due to their antagonistic stance, the NGEF and the management was not willing to negotiate with them.*

*This may have resulted in the NGEF administration to be particularly hostile to the residents of Krishnianpalaya and posted security guards. The guard's daily vigilant activity disallowed the residents from adding rooms. Each day the guards would count the 104 houses in the settlement drawing on a twenty-year-old listing of residents made out when the settlement first started. Since then, like any housing area, many residents had left, gone back to the village, died, families grown -- all representing the complexity of human life. Interestingly, this had tacit if not explicit support of the NGO coalition. The NGOs too promoted the use of the list of the 104 'legitimate' residents. They justified this on ideological grounds, interpreting the Marxist position on renting as a form of exploitation. However, rather than attempting to secure the rights of the tenants in the settlement, perversely they 'banned' residents from renting out their premises. However, since the NGOs had no real say in the issue, their efforts to use this list had a limited impact. The NGOs to their credit were able to help the slum resist eviction using the courts in getting stay orders.*

*Given the broader institutional climate of Krishnianpalaya, it took very strategic actions by the Director of the NGEF, a very senior IAS officer to resolve land issues by strengthening the de facto tenure of the residents<sup>127</sup>. These strategies effectively by-passed the NGOs on the SC of the BUPP to involve only the field staff of the PSU. The rationale of this strategy lay in de-emphasising housing and keeping the situation as low key as possible.*

*Once the land issue was reasonably resolved, the NGO coalition and the BUPP director pushed for a proper layout formation. This was despite the fact that the main strategy in resolving the land issue lay in stealth. To ensure that this happened, together they coerced the residents to demolish their houses. While this might not be a conventional 'demolition' (since it is termed as 'in-situ' resettlement) the effect was equally serious. This process disrupted local claims and put additional pressure on the poorest of the poor<sup>128</sup>. This action also allowed the NGO coalition and the BUPP to reinforce their authority by deciding on the allocation of plots following the demolition. Although there was a 'community' meeting to decide on this issue, it hardly gave any real opportunity to the local group. Eventually the larger plots / corner plots were allotted to the leaders who supported the BUPP and the NGO. Some of these leaders were also given double allotment, and some of the NGO staff too was also allotted plots in the process. One of the senior field representative of the NGO is also alleged to have taken money from residents to influence the allocation process. The demolition of houses and the demarcation of new plots took a long time since it required the ground to be cleared and cleaned. All this seriously affected the employment of the residents who were in essence pushed into this situation<sup>129</sup>.*

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<sup>126</sup> In the BUPP, much of the slum selection centered on selecting those slums where the status of land was insecure. However, the intention was to use the BUPP as a platform to resolve land issues in an absolute form -- as a basis for housing, and also increase the clout of the NGOs.

<sup>127</sup> See Politics by Stealth -- the second part of this section.

<sup>128</sup> The BUPP and NGOs however term this as 'in-situ upgradation' which is not accurate and that would refer to the improvement of infrastructure and services without really bothering about plot boundaries except to get services in. Doing layout design is seen as an important part of the scheme of things -- and the NGOs involved were always pressing for 'measurement' and rebuilding. This act gets the NGO or the institution power -- to decide who lives in what location, and more fundamentally, who is legitimate and who is not. It's a bit like playing God.

<sup>129</sup> When poor groups upgrade their housing in an incremental way, they are in control of the scheduling and can coordinate it with their various employment opportunities and also financial cycles. In a project though they are forced to adhere to the schedule of the contractor and the project promoters.

*Significantly, the three NGO and the BUPP used the 20-year-old listing of 104 houses as a way to reinforce their authority in the neighbourhood. This was done by getting local groups to fill out affidavits on judicial stamp paper as per the listing of the 104 houses. This act created enormous confusion and local conflict. Local claims are never neat: Between sons claiming to be the true heirs to property, between multiple marriages where in several cases men had married several times or abandoned their previous wives, from one time residents claiming to have returned back from the village. The listing of 104 houses being a 'physical' description rather than documenting the complex tenant pattern and actual number of claims, it effectively excluded those with fragile claims. Going by a conservative estimate of tenants in other such settlements, this would be between 20 to 30% of the total population. The restriction of renting and the re-building of the houses further split the community, while reinforcing the authority of the BUPP and the NGOs.*

*This situation however, allowed the BUPP and the three NGOs to reinforce their clout and effectively control the community. The field workers of the NGOs in particular held real sway, and their power extended to the office of the BUPP. If any resident spoke or raised any objection to the three NGO or their field operatives, they ran the risk of being cut from the list. Several were frequently cut off from the list and then brought back after making their amends. The tenants and those who could not establish their claims in this situation were obviously pushed 'underground.' Later we will see how this served to weaken the claims of the renters and sub-tenants often the poorest groups in the settlement.*

*The housing program resulted in other complications around the reconstruction processes. Earlier, the NGO coalition (and perhaps the Director of the BUPP) felt that they had 'lost ground' in the community because of BUPP field staff dealing directly with the bureaucracy. However, after the land issue was resolved, the NGO coalition and the Director of the BUPP wanted to together promote the housing issue to highlight their 'joint achievement'. They decided to have an 'inauguration' of the layout and to invite politicians at the highest of levels<sup>130</sup>. The NGOs had in the recent past, attempted to establish their political connection with the previous Chief Minister (who was consequently voted in a national level coalition to the position of Prime Minister of India). They used these connections to invite the then Chief Minister (CM) of the State (and of the same party as the then Prime Minister), along with the higher level bureaucrats. The CM however as a routine, sent the Corps of Detective (COD) to check out on the situation. On finding that the land issue was suspect, he politely refused to inaugurate the project. Around the same time, elections were announced. The two senior bureaucrats -- the Director of the NGEF and the Chairman of the BUPP, also took cover that in view of the elections they were not allowed to attend public functions and withdrew from the inauguration to avoid bringing any visibility to the event.*

*For the NGOs, the inauguration was an important way to reassert their power to the community and ensure visibility to funding agencies in particular. For the BUPP too, this event could be a symbol of their achievement, since the BUPP also faced closure. Thus, despite the withdrawal of the VVIPs, the inauguration did happen, but by the Project Director of the BUPP and the NGOs. For this event, it was important that the project looks like a housing project rather than bare ground. Thus, the residents were pushed into building up their houses on the newly allocated plots. There set in further complications for the residents, since they could not raise loans. The resettlement process had seriously disrupted their economic activities -- reducing their credit worthiness in the market. Others, especially the poorest of them were un-willing to raise loans due to the uncertainty of their incomes.*

*This led to another issue that split the NGOs and BUPP Project Director. Each knew that the housing program would reinforce their control over the community and competed in promoting housing finance. The BUPP encouraged the community to take small loans from the BUPP's Bembla program of micro-credit. The NGO coalition attempted to procure housing finance from the HDFC (Housing Development*

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<sup>130</sup> This was despite the fact that such a 'visible' action would jeopardize the land tenure situation of the community and undo what the senior IAS officer had resolved.

*Finance Corporation). This was despite the fact that no title deeds had been given or are likely to be given for this land. Thus, the community was split into pro-BUPP and pro-NGO camps.*

*The HDFC is one of India's premiere corporate banks. However, residents, even those who could afford to take the HDFC loans, refused to avail of them<sup>131</sup>. The BUPP micro-credit scheme faced the problem of the BUPP closure. With this, NGO coalition effectively dismantled the savings groups initiated by BUPP and started new savings groups in an attempt to get HDFC loans. The fate of this still remains un-resolved.*

There are several themes that emerge from the *Krishnianpalaya*, case, which are common to the Ekipura case and other that we will discuss.

The first, as discussed earlier, is the issue of visibility by doing 'housing.' Promoted both by the NGO and the BUPP for their own set of reasons, we see the enormous social cost of all this process, the process of exclusion if not de-facto elimination of poorer groups followed by a devastation of living and work environments.

The second theme relates to how housing fits into a wider range of economic systems involving complex cash flows. In the first part of this report (especially in the cases of the City Market and Valmiki Nager) we had shown the complicated financial systems at play and how poor groups inter-linked complex circuits and mechanisms. Promoting housing along a forced schedule and also on investments disrupts these economic systems and opens up the risks of serious debt.

The third theme is relates to land issue. Here we see that the official legal transfer process involves long and winding administrative procedures. There are often serious local level conflicts since land is both administrative and intensely political. As we have seen in the Ekipura case, the focus on absolute land tenure excludes many groups of poor where the demand for clear titles often reinforces and brings to the surface conflicting claims into a legal environment that is much narrower and conservative in perspective. Land being a key issue in vote bank politics also brings in many conflicting political actors into play. For varieties of reasons, the issuance of clear-titles, and often land cases gets prolonged and compounded because of the conflicting land situation in the city<sup>132</sup>. Thus, doing housing effectively installs NGOs to act as 'arbitrators' and claim a decision making space (with their connection with higher lever political and bureaucratic circuits). This is reinforced when the

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<sup>131</sup> As explained in the main text in the next sub-section on land and economy, this was because they felt that the subsidized terms of finance offered by the premiere bank were more expensive than the private moneylenders and opportunities from Chit funds.

<sup>132</sup> This issue is also reinforced in other cases that we discuss subsequently. See the case of Nehru Colony in the second part of this section for a vivid illustration.



community is pushed into resettlement. This situation structurally affecting local alliances and arguably makes residents relatively powerless.

One could argue that doing housing is a self-reinforcing / perpetuating process -- building ever more powerful alliances among the actors that benefit from this approach<sup>133</sup>. Thus, despite the limited success of this strategy in addressing issues of poverty, it is hardly surprising that the housing approach remains very popular among the NGOs in Bangalore and other cities. The above discussion paints a particularly bleak picture of NGO actions and interests. Here we would like to mention that most of these actions come from a particular genre of NGOs -- whom we call the elite of NGOs. There are others who take a more rooted approach. The latter however, are less visible, smaller in number and certainly not the type invited to the upper circuit of decision making and the focus of attention at international, national seminars and policy workshops. This raises issues of a larger systemic nature that plague the development field. In a similar way, the BUPP program has received so much attention, study and consequently evaluation. There is little or no study and basic understanding of far more pervasive (and arguably pro-poor) efforts of upgrading by councillors using the municipal system. We now discuss, in the same vein, another critically important issues -- land and local economy.

### **3 Missing the Woods for the Trees -- The Land -Economy link**

The economy of the poor is more fundamental than that of housing. Much of urban research has shown that 'housing' is low in the priority listing of poor groups, with issues of employment, its stability and access to basic needs like drinking water and the lack of flooding being more important. In looking at how PAPs address economic issues, we argue that the notion of 'economic mainstreaming' in most PAPs via informal economy perspective dilutes the efficacy of pro-poor processes discussed earlier -- of local economies, contested locations, and the local political process.

In the first part of this section, a contradiction emerged from the BUPP cases that are quite common with PAP projects. On one hand, land use and building regulations actively prevent poor groups from starting up small home based economies or as we discussed, disrupt existing economic opportunities via the process of project implementation and more drastically via resettlement. On the other hand,

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<sup>133</sup> For instance, soon after the *Krishnianpalaya* case, the BUPP in collaboration with a NGO intervened in the Kuntigrama slum Northwest Bangalore. The residents there were very poor -- part of the Gosai Tribe from North Karnataka and some Dalits. Their leadership was also very weak. All this was on again a location with precarious land tenure. This allowed the BUPP and the NGO a relatively free hand to push for the complete demolition of the existing settlement, demarcating plots with wide roads, and allotment of plots to the residents. Like the *Krishnianpalaya* case, this too served to move people out.

PAP projects aim to ‘mainstream’ the poor through skill up-gradation, loans for specific enterprises and micro finance. This is not uncommon. In a broad way, the underlying intention of such IG programs is to ‘formalise’ the ‘informal sector’, remove from it the ‘exploitative’ influences of moneylenders or local politicians, and induce more financial and managerial skills via training. It is hardly surprising then that economic strategies for poverty alleviation are commonly hinged, as they are in programs like the BUPP, around three main strategies around how to promote the ‘informal sector’: Skill development, micro-finance and entrepreneurship development. This also included a concept of ‘convergence’ -- the objective to link up to public programs and bring them on a common platform. To understand these issues, we look at a series of illustrations (Box 32).

**Box 32: Operating Matador Vans to Converge Bureaucracies?**

*One of the BUPP's strategies main IG strategies was of ‘convergence’ -- to link poor groups to the different government programs. Ram, one such beneficiary used to rent out ‘matador vans’ and transport people and goods<sup>134</sup>. The BUPP came forward to facilitate access to institutional finance for Ram to procure his own matador with assistance from the Karnataka State Finance Corporation (KSFC). The KSFC demands a certain percentage of the total cost as beneficiary contribution and routes the money via the BCC who buy the matador van on behalf of the Ram and then give it to him after recognising that he indeed is the beneficiary. Not surprisingly, all this implies complex bureaucracy and bribery to avail of the subsidised loans. Ram was required to pay Rs.30,000 as a deposit to get the loan. The BUPP although had a saving and credit program in the area was not able to sanction the amount because it exceeded their own criteria. As a result, Ram took the rest of the amount as a private loan for an interest rate of 5% per month. The BUPP had initially raised his expectations but in reality, Ram found that from their side, convergence meant a phone call to the senior official of the KSFC. This turned out to be an ordeal for him, and required making daily visits to the BUPP, KSFC and the BCC. While the BUPP could only telephone the higher level officials, his daily visits in the KSFC, involved dealing with the lower level officials. It took nearly a year for the loan amount to be sanctioned. In the meantime, the interest burden increased, and because of his daily visits, he was not able operate his rented matador and lost a substantial amount of his savings.*

In a brief but direct way, the above case captures the problems with fashionable terms un-rooted in the ground realities. Convergence says little about the actual structure of the programs that are to be converged, how they fit together, the actual powers of the organisation responsible for the convergence, and at which level of the bureaucracy would the programs be converged. Another question would relate to the issue of what are the underlying interests that would ensure that programs actually converge and to the intended group to be benefited. Another question is to what extent do concepts like convergence respond to the larger economic processes at work, or are they simply a nice sounding term with lots of ‘funding value’. There are numerous such examples from the BUPP or many such programs. It is common knowledge at the field level that such programs have had minimal

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<sup>134</sup> Matador vans look similar to the famous Volks Wagon vans used commonly in Latin America to transport people and goods.

impact in terms of either increasing the incomes of poor groups, or creating additional job opportunities. This holds true of most such programs with the exception of micro-finance. However, even in the latter, a critical issue is of institutional procedures and how it is conceptualised in the context of the participating groups and their alternatives. In the BUPP for instance, due to wider level rifts generated in the community and a very narrow conception of micro-finance, even this program which initially showed a positive response, over time, disintegrated in a serious way. The failure of IG programs stem from several factors. One important reason, and relevant from our perspective, is the failure to take into account the skill levels and the relevance of such programs for the local economies<sup>135</sup>. Another problem with income generating programmes are that they usually depend on decisions emerging from priorities set up by larger non-field based NGOs with access and the ability to influence the priorities of funding agencies. This hierarchy can also mean that field based ones are forced to withdraw from a neighbourhood abruptly at the end of a project when funding ends.

It is hardly surprising that such programmes do not sustain for a long time. Even an interesting approach like micro finance is treated as a bureaucratic procedure rather than in a strategic way. The models which shape the details of the micro-finance program are more likely to be what is the latest academic fashion rather than applying the principles to the particular economic circuits that poor groups are involved in. This becomes worse when viewed in the context of the paternalistic attitude of NGOs and if the NGOs needs to build in a local ‘constituency’ as a way to enter the community. The group participating in such programs realises very rapidly these interests and also the particular ‘strings’ linked to the source of capital available to the NGO – especially if a funding agency is providing it with subsidised ‘seed’ capital. It is hardly surprising that they perceive it like any other loan scheme promoted by the government and do not repay the dues. Our information is that in Bangalore, there are few successful cases of micro-finance with sustained positive impact on the poor

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<sup>135</sup> *One instance is of a group of hawkers from a poor slum Nehru Colony. These groups were seasonal traders in the city market. At the time they were selected by the BUPP, they were on the pavements in the center city area selling flowers to middle and lower income pedestrian. The new idea by the Director was to teach them of generate value addition. He recruited a Bouquet seller from a richer part of town to train the hawkers how to make and sell bouquets. Initially, the Bouquet seller wanted the hawkers to work as his apprentices. When they refused, he sent his son to train them. The program not surprisingly, was a complete failure since there was obviously no market for sophisticated flower bouquets among their low-income clientele. There were other cases too. An NGO working with hawkers in the market at the height of land conflicts tried to promote micro savings at a time when residents were attempting to evade eviction. Another was on training for Bangalore's garment industry. On completion of the tailoring program, the BUPP realized that it would be impossible for women trained to find jobs in the garment industry due to their basic educational qualification.*

groups<sup>136</sup>. It is most likely that 'success and failure' is decided more from a larger institutional / political perspective rather than the specific technical rational.

There is also an important organisational issue. These programs, often misplaced, are often structured under strict guidelines and time schedules for field workers to 'push' locally. These field staff can hardly be expected to be motivated when they face serious instability in their own employment prospects, are often disillusioned by their jobs and the hypocrisy of their situation if directed by corrupt senior managers, and with little real future beyond the project. Ironically, this lowest rung of the field staff and smaller NGOs, who are likely to come up with a responsive structure, are themselves the weakest level of an institutional power structures. When poor groups are included as part of the project, they are more likely to end up as cheap labour - the under-workers with few prospects. It is hardly surprising that the participating community is smart enough to also take their share of benefits, whether it comes as hand-outs or petty corruption at the field level.

This raises a question if IG interventions and more important the conceptual framework they are derived from, address the economic environment of poor group? We don't think so. For instance, our discussion on the complex financing circuits used in Valmiki Nagar and the City Market revealed the complex play between Chit Funds of both short and long term, Private Financiers, and the use of the '*Bhogy*' or lease to land market surpluses. These provided ways to rotate funds between different circuits with great rapidity, linking land markets to trade activities (including rural market based circuits). Moreover, these had significant seasonal characteristics. In this situation, one can well imagine how cumbersome institutional finance would be. It is hardly surprising that the residents of Krishnapalya mentioned earlier refused HDFC finance. They calculated that the subsidised terms of finance offered by this premiere corporate bank (on a 8% PA loan) was more expensive than the private moneylenders and opportunities from Chit funds (with varied interest rates – both +ve and – ve). Their argument was simple. A long-term loan even at an initially lower rate of interest meant that ultimately they would have to pay back double their capital amount. It was cheaper for them to access the conventional financier and chit fund sources since this would allow them a shorter deal and then rotate their money in the market related to their multiple employment opportunities. It also allowed them to invest the money into high paying circuits depending upon the season, and recoup money from

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<sup>136</sup> One successful example of successful micro-finance experiment is the "Jothy Federation" in South Bangalore. Interestingly enough, again from the perspective of our arguments, the principle used in that program is very similar to the

the real estate. The money in essence, be rotated rather than blocked for a long time. This issue is significant since the conventional view of the inability of formal finance to address the needs of poor groups is usually centred on inappropriate and bureaucratic procedures. This experience suggests a more fundamental problem of financial institutions not recognising the essence of economic circuits used by poor and other local groups. For the latter, the issue is hardly ever savings per se, but one of the immediate need to invest, circulate money and use this in the local economic circuit to stabilise their economic situation. Second, formal institutional finance is hinged on accessibility to a much higher income group. The latter use this to acquire goods, which fit into a very different economic system, for example, of cars being bought before September 31<sup>st</sup> are 'depreciated' by 40% for tax purposes in the first year itself, and circuits where interests of loans being written off in tax returns. These are hardly comparable to the nature of the local economies that poor groups fit into and shape. One could make an interesting argument that the 'productive' impact of private financier, chit fund surpluses is quite different than institutional finance which finds its way into consumptive investment shaped by direct and in-direct tax breaks for the corporate economy.

In the first part of this report, we discussed at great length the complicated and sophisticated world of hawkers and small traders. It is obvious to a person, who asks some very basic questions during field work, that finance mobilisation strategies hinge on a complex of ethnic circuits, community pressure, and rural-urban ties. Moreover, these link the economic interests of the financier and the borrower. Instead, almost all IG programs models promoted by the different NGOs and the state programs aim to remove reduce the dependency of poor on 'exploitative' private financiers. Given that NGOs meet poor groups as part of their daily routine, interact with them the reasons for this mismatch are more likely to be due to safe guarding professional interests and arrogance, rather than ignorance of what's going on.

Thus, the issue here is not the relative efficacy of a government versus NGO approach to IG programs. Our point is that in the context of our description of the sophisticated economic structure of Bangalore, the conventional IG approach by missing out fundamental issues of the structure and organisation of the local economy actually help to subvert critically important issues. To understand this more clearly, we return to the concept of 'mainstreaming' as a starting point. This implicitly reinforces a view of the urban economy being driven by a public sector, or a corporate economy -- but supported in a tangential

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indigenous chit funds. The NGO intervention has been in federating the groups and linking it to the mainstream banks. The links with the mainstream financial institutions however varies.

sort of way by an organised informal economy'. The city, as a setting for this economy are 'clean and well laid out neighbourhoods' (resembling middle income localities in the city). In contrast, the local economy thriving in clumsy slum like environments is seen to be irrelevant and needs development<sup>137</sup>. While the slums are replaced by organised housing, the poor are trained, skilled, organised as inputs for a service sector driven urban economy. An alternative ideological perspective centres on mainstreaming as an effort towards labour organisation via unionisation. Here, the main assumption (and on a political plane) is centred on access to the city's resources and effectively linking poor groups to the 'official' city economy so as to get their rightful share<sup>138</sup>.

Our main argument is that both these ideological perspectives do not recognise the importance of economic processes that exist in areas like Azad Nager and Yashwantpur discussed earlier. In particular, issues of access to land in productive location by poor groups are also missed out as a critically important issue. Moreover, poor groups are conceptualised as marginal groups needing up lifting and organisation rather than as being active agents. Thus, it is hardly surprising that when it comes to taking a stand on location-claims land issues (which actually make a difference), the stand of both NGOs and the Government is a conservative one. The reaction is varied but much in the same plane: NGOs when confronted with the issue of resettlement of poor groups treat location lightly. Significantly, in the nineties, the emphasis on housing has also led some of the major NGOs to compromise their stand on resettlement issue to allow and even facilitate the State Government to allocate productive locations to richer groups<sup>139</sup>. The arguments given, which will now seem perverse in the context of the consequences as discussed earlier, is that of better housing! A quote by the leaders of one of Bangalore's main slum 'federation' is significant in this regard:

*In a modernising city, the poor should also change with time. When land values are increasing in a city, can poor groups expect to have the same locations they had previously?*

This is hardly different from the director of the BUPP in a meeting with squatters negotiating for larger sites telling them:

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<sup>137</sup> This approach also implicitly helps to reinforce the poverty agenda as a dubious one of degrading housing stocks, rather than the access to land in productive locations by a wide variety of poor groups.

<sup>138</sup> This is despite the fact that the economic structure of the city is not one large factory but highly dis-aggregated. Even so, this second approach may have some impact on those poor groups employed in public sector agencies. This however precludes the bulk of poor groups are outside a centralized system (either public or corporate sector).

<sup>139</sup> Land is allocated either for high-end commercial projects, or "public purpose" projects like an elevated roadway that usually benefit car owners.

*‘Do you think the land belongs to your grandfather?’*

Resettlement is viewed as a non-disruptive if undertaken within a ‘certain safe distance’ from the original settlement, as it provides access to ‘legal’ transfer of titles.

This discussion raises a conceptual issue of how to view land. The conventional market perspective sees land as one of the elements to compliment capital and labour. We feel that a governance perspective should include two other important dimensions:

- a) From a point of tenure -- where land as a repository of claims shaped by ethnic, cultural, and political factors.
- b) As a setting for economic processes where ‘location’ is of key significance.

Both aspects of land are dynamic. The first relates to the emergence of ‘place’ where claims are localised as a part of the settlement process. In the second, the settlement process spurs urbanisation and localisation economies influencing the quality of that location as a setting of production. Both aspects of land also shape issues like price and more ‘functional’ relationships like sub-contracting and financial linkages. They also reflect institutional and political aspects – discussed in the next section *Politics by Stealth*. From this perspective land issues from the Housing and Informal Economy perspective only cloud a more important economic agenda. In corollary, a purely finance perspective would miss the important institutional and political aspects.

#### **4 ‘Organising’ the poor?**

The land and economy question also leads us to question the trend of creating special institutions for PAP projects like the BUPP. Often justified for efficient implementation of PAPs, the main issue here is of the notion of ‘advocacy’ – at least as commonly practised:

*Do organisations like the BUPP or other special purpose bodies raise land issues to a level of higher political and administrative circuits where poor groups have few links and access?*

This question seems relevant in the context of the first part of the report, where we had highlighted the alliances formed by the poor groups with the lower level administrators via the local power groups. However imperfect such alliances may be the main forms of institutional access in majority of cases. We could argue that special purpose bodies opens up space to divergent non-pro-poor interests to generate a conflicting political implementation milieu. For instance, in the BUPP too, institutional politics involves two circuits: One was the upper circuit involving the state level bureaucracy, the large NGOs and the project implementators. At the other level, are the middle level officials, the smaller NGOs and the local leaders. Much of the implementation politics centred on the tensions between the

administrators, the politicians and the NGOs each of whom seeking to advance their interests. The upper circuit being constituted by a coalition of higher level administrators - NGOs, driven by the common interests of sidelining the elected representatives in order to reinforce their control over different constituencies and to secure economic gains. Further, the administrators sought NGO support in mobilising public opinion on policies and programs that were difficult to implement via the normal institutional procedures (e.g. Swabhimana, the UBSP). The NGOs entered into different types of alliances with the administrators. The large NGOs in influencing policies and the smaller NGOs as implementors for the municipality. We first take the case of the Anandapuram slum, drawn from the BUPP program there to provides some insights.

***Box 33: Exploitative Community Leaders, Programs, or Professionals?***

*Anandapuram in the central-west parts of Bangalore is one of the oldest and well consolidated settlements in Bangalore with a population of about 700 households -- well consolidated. The settlement had a high level of de-facto tenure with people having invested Rs.. 100,000 in their housing in some cases. The consolidation had spurred extensive sub-divisions providing rental accommodation. Most of the residents were either hawkers in the market, and some of the better off, worked in the private service sector.*

*This settlement had two local leaders. One was the more powerful Bln., and another less powerful one Gsh. Bln, as is a common practice in such settlements, had promoted at various times, several local level organisations and youth groups. This formed an important part of the political strategies of the settlements to ensure the security of tenure. This also required him to maintain field contacts alive within the various site offices if the KEB and the BWSSB to keep a tab on financial allocations<sup>140</sup>. It was through this relatively 'underground system' of the bureaucracy that this squatter settlement was able to consolidate their status and secure a reasonably high level of services.*

*Even so, the BUPP selected this slum since it seemed 'congested and dirty' to its director. The main need seemed to be was to improve the UGD system. Moreover, Bln.'s resourcefulness was potentially useful. He would request the BUPP's PSU to focus on obtaining clearances for field work with their high level political connections, rather than funds which he was more adept to locate via the field level offices of the various line agencies concerned with public works. These opportunities were however not used by the BUPP since these dealt with small-scale incremental development works. The BUPP with access to its own dedicated funds, was more interested in promoting large civil works programs -- like the UGD in this case.*

*Bln. pressurised the governing committee of the BUPP to allocate him the civil contract for the UGD, and claimed that he would hire out the community for the labour contract work -- an explicit clause in BUPP. The social unit of the BUPP and one of the authors had at that time, saw Bln. as a 'corrupt self-serving' community leader. With their simplistic understanding of corruption, they sought to reduce this form of explicit lobbying and ensure a 'fair process'. The BUPP's senior management too had always found Bln. to be a difficult person to deal with -- being a clever and also powerful local leader. The director of the BUPP also saw Bln. as a problem, but more as a threat to the BUPPs' own entry to the*

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<sup>140</sup> This is a common practice -- usually keeping the local level official on an informal payroll on a monthly basis. They then inform the local leaders about financial allocation made by the council to the particular ward and this allows the local leader to pressure the councilors to take up work in that part of the ward. While obviously involving "corruption" this must be also viewed in the background of the corporate world using the highest bureaucratic and political offices at the State and National governments to procure investments and policy change in their favor.



*slum. Thus, the BUPP attempted to promote a parallel leadership within the slum as a way to ensure compliance for the BUPPs component of 'community participation'. This was however complicated since the BUPP did not have any 'control' over Bln.'s clout in the neighbourhood, and he still remained their 'entry point'. It was also at this time, that Gsh.,(although promoted by Bln. in the first place as his subordinate) became a political rival to Bln. and as a political strategy, also promoted a new youth group.*

*In this situation, the BUPP's director adopted two strategies. First, he got the BUPP team to encourage the opposite group to come up. Following this, appealing to the BUPP's SC chairman (as the senior administrator of KSCB) got a fiat issued to the BUPP that the implementation of large public works like the UDG in such slums should be via the Karnataka Slum Clearance Board (KSCB). This administrative order was also used to make Gsh. as the local person to oversee the implementation of the UGD work. This act however, set off its own dynamics. Gsh., no less corrupt but with a lesser clout, immediately established a bribery circuit involving the contractor, KSCB officials, and Gsh's own youth group. As a counter strategy, Bln. planted a new and younger youth group to counter Gsh's now old youth group. After the budget was sanctioned there was an inauguration of the UGD scheme where Gsh. approached the Jantha Dal MLA and invite him for the event. He then told the residents that the UGD scheme was because of his own efforts rather than the BUPP. Bln. with connections to the Congress party, sought the BUPPs' help to counter this claim but with little success.*

*This political conflict, spurred by the BUPP, became very complicated and even led to physical fights between the two local leaders and their respective groups. While the BUPP tacitly supported Gsh., Bln. enjoyed more local political clout with better connections to the different groups in the settlement. In this situation, several programs of the BUPP like the micro-credit and also the UGD were seriously affected as the community was fractured along whom to support. Most residents saw BUPP as being partisan in their dealings and felt manipulated. This might have been instigated for sure by Bln's support group, but it did have some truth in it. This criticism against the BUPP got further reinforced when Bln. made an allegation that Gsh's youth group was selling houses to new comers who would endanger the unity of the community. The issue of unity was a sensitive one since at that time an elevated roadway was also planned adjacent to the squatter settlement and could result in it's resettlement. The community being spilt into factions, this was a serious issue. Under this larger threat, they needed to form a unified group, or even for come together for negotiation. It is their luck (until now however) that the expressway project has not yet been started. However, Bln. and the residents feel that if the construction of the overhead roadway does require their land, it will be much easier for the State Government to negotiate with only one group and pave the way for resettlement for those who cooperate and leave the rest by the side.*

The above case illustrates in the operational arena how an organisation itself assumes an interest to split the local group in order to implement programs. It also highlights the issue of professional attitudes and assumption about leaders in particular, an issue that we will discuss in the next section. In the brief case below, we focus on situations where an NGO has played an instrumental role in co-opting the community. We first look at the case of the *Sanyasikunte* squatter settlement located in the central area of South-West Bangalore. This case provides a vivid illustration of the political dynamics of NGO intervention and its consequence on the decline of local claims.

#### ***Box 34: Organising the poor via divide and rule***

*Sanyasikunte in West Bangalore, is located very well providing its inhabitants with access to a variety of employment opportunities. Most of the residents here were Tamils and still maintained*

*their connections back in Tamil Nadu. The squatter settlement had evolved over time with well-organised local groups with good political connections. With the support of the local councillor and a powerful MLA, residents here were able to regularise their claims and the settlement was able to obtain the status of 17F as per the slum act -- the final notification for land title. They had already procured services -- mostly at the public level and enjoyed a reasonable stable situation of land tenure. However, the settlement abutted a lake and recently the city's Mega City program allocated part of the land occupied by this slum for Lake Development. This affected the slum's legal status, since as per the law, at any stage of the notification process, the proceedings can be dropped or case put up for re-consideration.*

*The Steering Committee (SC) of the BUPP decided to take on the Sanyasikunte slum in 1996. The main arguments given during the meeting was that being a 'difficult' case, this would provide important policy insights. At that time, the BUPP were under intense criticism from the donors for slow spending and doing housing would help addressing this issue. One of the NGOs forming part of the SC and focusing on housing issues, was keen to start work on this slum. The 'success' of the Egipura case had given them significant visibility and this case had the potential of doing the same. Thus, the selection of the slum was shaped with a specific housing agenda in mind.*

*The housing focus had several implications. The community's priorities, rather than for housing, was for basic services and more for incremental programs like toilets, or water line extensions. This would also by default, improve their de-facto tenure. However, they found that the NGO focused on developing the land for a housing project. In the initial stages, much of the project funds were spent in filling up a large pit for the proposed housing. The NGO in this situation faced opposition from the tough and politically well connected local leadership with well-consolidated roots. Most of the local residents too were not totally open to their ideas. Thus, the NGO attempted to create a parallel leadership. For this, they used the BUPP program as a strategy to identify women leaders to head the Slum Development Teams -- responsible for slum development. These women, although with a weak political base or connections in the community, were attracted to gain a political space in the community. Also, a very important incentive in housing projects are often the 'under the table' shares from the construction contracts<sup>141</sup>.*

*Simultaneously, the NGO put up the case in the SC of the BUPP to push for absolute land title that would allow them to undertake housing. The bureaucrats in the committee however, declined to regularise land necessary for housing, since the land was allocated to the Mega city case. The split in the community almost resulted in getting the community to be re-settled, and today exists in a situation of less secure tenure. This is particularly serious since adjoining slums have been resettled.*

At one level, this case illustrates the lack of responsiveness by the NGO to local needs, and they powerful motivating force doing conventional housing can become. In terms of strategy, it shows how

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141 For instance, the filling of land and "site development" is almost always an excellent source of illegal money. Measurements are often difficult and site conditions are almost always irregular providing enough scope to claim "extra payments" and as "extra items." The issue of corruption has an important institutional angle to it, and should be viewed in the context of the structure of the BUPP. Since this program was conceptualized as "innovative project and experiment", contracting procedures were loose and "flexible". The PSU did hold a lot of power and there were few "checks" like those in a bureaucratic system. This situation opened up the system to mis-use, and construction contracts are particularly an important source of revenues. Moreover, large project investments were made out from the BUPP and not from the SDTs. This reduced to a large extent the possibility for local community control and even information on what was being planned in the slum. In any case, the "community" was seen to be represented by the SDT -- set up and directly controlled by the NGO operating in that slum. The SDT in this situation, could hardly be expected to form a check on the NGO. On the contrary, their interests would also to make a fast buck as long as the project lasted. This is an open secret at the field level, where NGO leaders ensure a cut to the local leaders to buy their compliance. Many a time, they are provided with an Income Generating loan, which is never recovered. The compliance works quite effectively. As a waste picker in a similar program commented when the in-efficacy of field interventions were quite obvious, "why kill a milking cow?".

the instrument of organising and representation, the SDTs can become an instrument of subversion to ensure community compliance to ensure project implementation.

**Box 35: NGO as arbitrator**

*The Church of South India (CSI) compound case is a vivid example of a manipulation of a local group by an NGO taking on the role of a mediator. The CSI compound is in one of the most central locations in Bangalore behind its Town Hall. The missionary has an empty patch of land that was occupied by migrants from outside Bangalore. Employment opportunities were very close by -- in the central city markets of KR Market, Majestic area. Given the high value of the land and pressures to use this for alternative purposes, the missionary wanted to evict the settlers. This was severely resisted by the settlers due to their well-consolidated employment linkages. At a point of time, a 'mass based' NGO stepped in. The NGO held a few discussions with the community and convinced them to sign a document. The local groups claim that they did not understand the technical language and later learnt that they had been made to sign a document to leave the area and agree to be rehabilitated in a location 15 kms away from the city. The Karnataka Slum Clearance Board defended the distant location of the proposed site claiming that there are good bus facilities to the city. During the court case, the community and local activists allege that the lawyer of the NGO representing them was 'bought over' and his wife (also with a NGO on gender issues) sent to the USA as an incentive. The squatter area was demolished, and residents shifted to the new location. Many of the occupants have now rented their houses in this resettlement area and settled back in to some of the city slums.*

Our information is that important consequences of the different PAPs on poor groups are two fold. First, they often weaken links between the councillors, leaders and the poor groups. Second, they increase the cleavages in the community. The reader will recall the case of hawking zones discussed in the first part of the report on the City Market politics<sup>142</sup>.

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<sup>142</sup> A coalition of three NGOs intervening on behalf of the Hawkers to promote Hawking zones. This coalition instituted itself as a "federation" to work with hawkers, although our field investigation suggested that the actual representation from existing hawker's groupings was minimal. Interestingly enough, this coalition via a national level conference on Hawkers led to a judgement of High Court of Karnataka on for the BCC to institute hawking zones. This act effectively created an institutional space for NGOs to work on this issue. As we have discussed before, the city market areas have an existing system involving various types of agents with its own particular dynamics. These include local leaders representing the hawkers, local parties, rowdies, police etc. Our research concluded that the NGO split local groups on the expectation that they would "save" the hawkers from the "exploitation" of these agents. The reality was otherwise when the groups that went along with the NGOs soon found themselves being dumped along the way and consequently in a weaker bargaining position with their previous social contacts. Efforts to institutionalize hawking activity through creation of hawking zones too affected hawkers adversely, since their previous claim making to productive locations was opened up via the legal channel to other economic agents. The latter used the legal process to push the hawkers to less remunerative locations in the market. This resulted in the cost of trading to go up and their economic opportunities declined. The judicial intervention also made it difficult for local agents (both the administration and the politicians) to maneuver the situation politically in favor of the hawkers. The institutional processes related to hawking zone identification, and allocation further increased the hardship of hawkers. The plans for hawking zone do not take into account the varied forms of hawking prevalent in the market. This eliminated some groups such as the basket carriers. Itinerant vendors etc., Further the policy of issuing one license for a family and also the eligibility proofs would eventually push out many poor groups out of hawking. All in all, the weakening claims of hawkers and also increased the bribes by the lower level bureaucracy and the police. For the NGOs however, the court ruling, their involvement, the press coverage and the international conference that they arranged to spur such a ruling were all effective in giving them the visibility to attract donor attention and funding. Interestingly, this situation did not benefit the field NGOs -- facing the wrath of the Hawkers, the local leaders and with the difficult task of the dirty work. This "duality" between the field NGOs and the Upper circuit also had a demoralizing effect on the former since this split in benefits is an open secret. Instead, it served to legitimize and establish the organizing group at the federated level -- who had sub-contracted them these activities.

## ***5 The Impact of PAPs***

Thus specialised PAP programs have enabled the NGOs to consolidate their status at several levels. Their links with higher bureaucracy and the consequent preferential access to government resources and in short-circuiting the official procedure in implementing programs. Their influence with bureaucracy together with their status in the international funding circuits enabled them to further tighten their hold on smaller NGOs and in the process determine the development agenda.

The creation of specialised institutions is often justified as a way of stopping the corruption that plagues the municipality system. The PAP institutional structures in reality have not been able to address the problem. Instead the accountability of PAPs to the administrators make it easier for those at the higher level to manipulate the system for their own benefits. What often surface are smaller level corruption episodes involving the smaller NGOs and the middle level officials. At the higher level, especially in the bi-lateral program the chances of shifting funds to finance the purchase of vehicles, computers etc., that eventually benefit the bureaucrats after the project period is quite high<sup>143</sup>.

An important part of the institutional issue is the reaction of the councillor -- a key agent in our earlier sections. Councillors have usually responded to the higher level dynamics in two ways: The loss of their authority, in conjunction with the para-statal agencies dominating municipal functions (discussed elsewhere in the report) has in turn encouraged these political representatives to maximise their personal economic gains. In doing so, they form alliances with the middle and lower level project staff. In all this, an important consequence of the programs is the weakening of the community's links with the institutions via the councillor. The volume of funds, the institutional structure that provided access to higher level administrators made it easier to operate in the city without any links with the area councillor. Having replete with funds, other than structural issues, the programs unlike a municipality program was not dependant on elected representatives.

In some cases, like the powerful councillors of Yeshwantpur in NorthWest Bangalore, viewed the program as an irritant more than a threat. This is due to their hold on land issues, a weak point for PAPs. In cases like the Egipura housing case, the councillors entered into direct confrontation with the

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<sup>143</sup> One could almost pose this as two contrasting circuits of corruption: The "by-two Coffee" versus the "five star pudding" type of corruption. The former refers to a common practice in Bangalore outside small street side cafes where lower level

PAP. By and large, the councillors tried to use the program for their own personal benefit since there was no binding force to get them to fulfil the community's need, in contrast to municipal programs. In the latter, the compulsions of the vote bank politics ensure that the councillors attend to crucial issues related to land and resource allocation. Thus, external interventions shape local alliances but not necessarily to strengthen local autonomy.

There are several other cases. One another is of the KS Garden, another central city squatter settlement. Here, this settlement had several local leaders. The UBSP, promoting women leaders, promoted in-effect a parallel institutional structure of community leaders (The reader will recall that other PAPs programs do the same thing). External agents who had connections at the bureaucratic level of the KSCB and also higher level political parties also played on to this. The KSCB is known to be closely connected with politicians at the state government level, since the latter often-using ethnic issues to consolidate their vote blocks. This move isolated the existing local leaders, split the community, and paved the way for the supporters of higher level political leaders to claim land and push out some families. Thus, the external agents (either NGOs or higher level political agents) align with the (bureaucratic institutions like the KSCB, to re-align local claims. This can and often results in squatters being pushed out. Political workers claim that this is a very common strategy used by NGOs -- to establish a 'dependency' politics. The co-option of the local politician or worker as a field director of the NGO is quite common in the 'honeymoon' period of the relationship. The local politician too tries to take the advantage of the 'NGO base' during important occasions, often to form alliances with the higher level politicians. For instance, during by-elections held in 1999 in Bangalore, a coalition of NGOs organised a large rally to woo politicians from the JD. Although politicians were brought to the rally meeting and asked to present their agenda, this was done in a casual way rather than serious intent. There was little follow up on these claims after the elections, leading many activists to argue that the real intention of those NGOs was to use that event (showing a large attendance) to gain access and establish their clout at a higher level political circuit. The problem in all these cases is not only in initial stages of the split and takeover by non-local interests, but later stages when program funding ends, NGOs move on to other issues and locations, and one poverty alleviation scheme is replaced by another. The community in this situation, faces a leadership vacuum and is then susceptible to re-settlement by agents using goons and violence operating in the land market.

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bureaucrats and lower middle income groups share a tiny cup of coffee. The latter, as is implied, refers to quite a different type of event.

It is hardly surprising in the above context that local communities are usually suspicious and sceptical of NGOs and official programs aimed to improve their lot. They witness changing programs, new games, and the entry of different actors each claiming to ‘up-lift’ them from their poverty. In reaction, NGOs, often complain that poor groups are also not sincere, and selfishly want the ‘goodies’ without contributing anything. The director of the BUPP, the director of a major public health project funded by the World Bank (similar to off the cuff comments made by bureaucrats mentioned earlier) see poverty as an issue of mental attitudes or the lack of education.

In effect the interests of the NGOs and centralised political interests converge in this process resulting in a particular kind of governance structure which weakens local groups. Political strategies here centralise and reduce space for local politicians. All this helps to ensure community compliance. This politics relates to the following concepts:

- a) The emphasis on ‘proper housing.’ This then relates to a bundle of land issues: Promoting concepts of absolute tenure, of equality of size within the ‘community’ on grounds of social justice;
- b) The need to organise the ‘community’ and establish new structures along democratic lines. These would then replace existing groups, or ‘invent’ a community in a place that does not exist. The logic relates to viewing the existing organisations as being non-democratic, controlled by the local elite, not ‘registered’ to provide it with legal and financial authority to avail of financing programs;
- c) A benign view of NGOs to intervene in the name of the poor, as a key agent in this process of social engineering. In parallel, to mistrust locally elected representatives, and perceive their views as representing only one faction in an overall situation of fractured democracy. These views may be driven by the intention of social justice, been naïve about the very complicated institutional politics. These assumptions listed above served to push the donor agency politically into a corner. This not only allowed elite NGOs to hi-jack the benefits of the program, the bureaucracy to move away from addressing substantial public policy issues, but also for the poor groups fractured their existing and long term claim making environment.
- d) Part of the ‘social engineering’ is also an economic engineering – negating existing economic structures and its constituents.

We had for instance, in the previous sections, highlighted the impact of party politics. It is hardly surprising that in this context, PAPs are key instruments to ensure a regime of compliance at the level of youth workers, drawn from the poor but not providing them with a stable platform. The consequence of this perverted charade is that most poor groups are un-effected by these programs. Those that do, if not politically agile enough, face the risk of alienating their traditional sources of support for the sake of short-term handouts. What then are ways of politics that empower in this dismal and pessimistic reading of the landscape of development? Interestingly, as we argue in the next part of

this section, we see an interesting range of political strategies and institutional structures that rise phoenix like from these dismal ashes.

### **B: *Politics by Stealth and The Porous Bureaucracy***

We now turn to a fundamental concept relating to pro-poor strategies. This relates to the importance for poor groups and their alliances to operate in a low key, strategic, and ‘non-visible’ way. We term this approach as a ‘*Politics by Stealth*’. This system of politics allows poor groups to subvert competing claims on resources and location. We do not discount the importance of raising issues by more visible forms of pressure building like ‘sit ins’, strikes, *Dharnas* etc. Those strategies too have been used -- for example in protesting against the extensive demolitions by the BDA in South Bangalore. Instead we aim to highlight these alternative and perhaps day to day strategies used by local groups and their representatives. As we shall discuss in the last part of this section, this is also made possible by a particular bureaucratic form (the *Porous Bureaucracy*).

This has emerged in part to deal with an in-appropriate planning system and also the compulsion of local groups to compete with higher powers outside the so-called ‘legal / planning institutional’ arena, led to the emergence of low key, invisible strategic interventions, to subvert the latter’s actions. We will discuss this form of political strategy in some detail in the concluding part of the section. This has mainly happened since the Master Planning system has been unresponsive to some of the most fundamental processes of urbanisation:

- a) Promotes a land development system that is most alien to urbanisation induced economic change;
- b) A process that has little or no interface with the general public or their directly elected representatives;
- c) Has served to define claims over location in a narrow perspective to effectively de-legitimise the vast majority of residents in cities;
- d) Has promoted monopoly ownership over land through one of the most regressive of regulations -- the land acquisition act;
- e) Has promoted an exclusive form of housing. Most other Development Authorities are modelled after (including the BDA) the Delhi Development Authority. The latter has supplied via some of the most extensive powers of eminent domain (arguably the most extensively used except by similar institutions in the New Town settings like Chandigarh, Gandhi Nager, Bhuvaneshwar) only about 10-15% of the total housing stock. In cities like Bangalore this is likely to be even less.

If the formal planning process has been so irrelevant, cities have evolved despite these efforts. The interesting thing here is the institutional inter-face between the formal planning process and almost 90% of the rest of the city. To some extent, this is softened by the tasks of urban management that still remain with the municipal government which is more responsive to local needs, essentially due to its elected representatives. Even so, this interface is an important issue. As stated earlier, facilitating institutional access is a common strategy adopted by the different political actors. The local leaders



often use their connections with lower level bureaucracy in resolving /subverting rules. The issue is much more than simply 'bribing' ones way through the maze of regressive planning regulations. Instead, the pressure from below has transformed that part of the bureaucracy to the extent that on some operational areas like land regulations, the official planning and administration forms a thin upper crust covering deeply political processes.

Local politicians and the local leaders understand this quite well, and this form of politics is particularly important for them to subvert decision-making made in the more official and publicised planning processes that threaten their constituencies. As we shall see below, there can be many agents involved in promoting the *Politics by Stealth*. These include various levels of bureaucracies (but especially the lower level) and at times NGOs too. Much of the issues here deal with land and a significant point here is that many of these centre on increasing de-facto tenure and localising regulations. To fully understand these processes, we draw upon several cases. We first return to the case of *Sanyasikunte*, introduced earlier in section 4A to focus more closely on the political strategies and actions that were set in place after the BUPP and the NGO attempted to implement their housing agenda.

### **Box 36: The Politics of Visibility and of Stealth**

*This is a continuation of the saga of the Sanyasikunte squatter settlement. The reader will recall that this settlement abutting a lake front in South West Bangalore was threatened by a project of Lake Front development funded under the Mega-City Project program. We had seen previously how the BUPP and the NGO attempted to push for a housing agenda, although the local groups in the settlement had a greater priority for more basic needs like water lines. The main strategy used by the BUPP and the NGO aimed at 'splitting' the community via the SDTs formed as part of the BUPP project. As we had mentioned earlier, community resentment against the NGO and the BUPP intensified, since they did not see their immediate needs being addressed despite the program being operational for more than a year<sup>144</sup>.*

*The community initially targeted the pro-NGO SDT members, as they saw them as representatives of both the NGO and the BUPP. Then one of the two powerful male leaders, with a strong base with the Scheduled Caste population in the community, directly told the BUPP and the NGOs to get out of their area. The BUPP (already under pressure for low spending by the Donors) and the NGO then took up the construction of smaller public toilets and two water lines. In the meanwhile, the head of the NGO<sup>145</sup> used her official connections and contacted the MLA with whom the community had previously taken support.*

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<sup>144</sup> There was also a conflict between other NGOs working in the same slum. Soon after the project was initiated, another NGO involved in education attempted to start a school in the slum. Rather than taking "permission" from the main housing NGO, they directly contacted the leaders in Sanyasikunte. The leaders allowed them to use the association office as a class room. The housing NGO immediately objected to this claiming that this would split the community and affect their land regularization process.

<sup>145</sup> It is significant to note that the NGO's leader is a daughter of an ex-chief minister of the state with excellent contacts in upper level political and bureaucratic circles.

*These moves by the NGO increased the 'visibility' of the issue and by default served to weaken the resident's case for de-facto tenure. In parallel, this situation also pushed for the re-settlement of the community. The politicians witnessing the increasing visibility of the project also backed off since it reduced their space to act in a low-key way to strengthen de-facto tenure<sup>146</sup>. The various resident groups in Sanyasikunte were increasingly furious with the BUPP and the NGO. One factor was that they saw the NGOs and the BUPP poaching on their own political connections (both at the level of the local party and also higher political connections). The politicians were also placed in a situation where they had to take a stand against the community since they had to come public on the issue. This contrasted their earlier and well functioning strategy of ensuring interventions in a more quite manner and ones that increased de-facto tenure.*

*Following this situation, the NGO and the BUPP then got involved in locating land with no real sanction from the community<sup>147</sup>. A large open land -- essentially used as local community public space within the same ward, was identified for resettlement. The PSU of the BUPP prepared a plan for resettlement and a survey undertaken. These actions made the moves for resettlement more visible and the local community using this open land started to resist the move to convert their playground into housing for the squatter settlement. Those residents went to the MLA and protested about the move to resettle slums near their houses. Since they formed a powerful Kanadda lobby, the MLA attempted to look for alternative land. Another location was found but here too the local community refused to give in.*

*The MLA claimed that he was helpless due to the stalemate. The leader of the NGO then approached the State's urban development minister (a famous film actor) at seven in the morning. Bleary eyed and drunk, he dismissed the case at once on a communal (and a 'public') stand: '..All Tamils should go back to their state...' This situation led the NGO leader back to (the then) Chairman of the Municipal Corporation's Standing Committee on finance who was also the Councillor of the ward<sup>148</sup>. The Chairman / councillor told her not to make the issue too visible, and that he would look for a resolution. In between however, faced with growing opposition in the slum and the non-functioning of other BUPP programs there the NGO and 'their' local leaders needed to sustain their legitimacy. They announced to the public that appropriate land was identified. This action however lead to an immediate fall out of the discussion with the Chairman /Councillor. He complained that despite his advice the NGO had prematurely announced the resolution. This action came in his way of his own strategies of dealing with higher level political agents which was very sensitive due to the Mega-City Program. The institutional structure of the Mega City program involving national level funding and the State level politicians did not give too much manoeuvring space for local politicians. The action by the NGO had blocked possibilities for his to help resolve the issue.*

*At that time the BUPP project too came at an end and the NGO involvement also became increasingly thin. The Mega-City project on tank bed development still remains a complex battle ground at the city level between various groups: Rich and poorer residents, environment based and other NGOs, various levels of politicians, and various types of public departments including the forest department. These conflicting interests have resulted in a stalemate, which allows Sanyasikunte to still exist in that location. Also, their involvement in the BUPP program did weaken their de-facto tenure.*

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<sup>146</sup> Here it is important to realize that the politicians have to respond to various constituencies including the business class to tap for party and election funds. "Visible" interventions are hardly useful in this process.

<sup>147</sup> They basically picked up a couple of residents who accompanied them to various locations, rather than have an explicit public consultation.

<sup>148</sup> The finance committee is one of the most important committees, and the chairman has a reputation as a knowledgeable individual on such issues. Interestingly, although he was the head of the opposition, he was made head of the Finance committee.

One part of the case relates to the way the local groups of the squatter settlement aim to resolve their tenure situation with the help of their political contacts. This is kept at a relatively 'invisible level' -- but subverted by the NGO and the BUPP. For the latter, project defined goals of housing and showing an impact is critically important. The NGO with tacit support of BUPP, even go to the extent of engineering a split in the community. All this comes with a heavy price for the community pushing them very close to resettlement. The other interesting aspect is that the main challenge to this Politics of Stealth comes from the Mega -City project pitched at a highly centralised level where local political circuits are less effective. This raises an issue (which we discuss in some detail) about the nature of planning and why stealth is important in the first place. Before discussing these issues, we return to case of *Krishnianpalaya* in East Bangalore. In the previous section, we had discussed various issues in the regressive impacts of the housing promoted by the BUPP and the NGO, and had mentioned how prior to their interventions, the land issues in that settlement were positively resolved. In the following discussion, we describe the strategies used to resolve the land issues. This is significant since this actor here was a very senior administrator whose actions had a significantly positive impact to reinforce the claims of poor groups in a complex institutional arena.

***Box 37: Krishnianpalaya: Administrators and the Politics by Stealth***

*As mentioned earlier, the Krishnianpalaya slum is located on land belonging to the public sector undertaking, The New Government Electrical Factory (NGEF) and in a particularly precarious tenure situation. This was from several reasons: Being listed under the Karnataka Slum Clearance Board (KSCB), the NGEF's imminent closure and being transferred to the BFIR as a loss-making unit, and the land parcel adjoining the squatter settlement was to be sold to the military establishment.*

*During the first two years, no program could be undertaken. This was mainly due the reluctance of the Chairman of the SC of the BUPP (and Secretary of Urban Development) to grant absolute land tenure and the NGOs to push the agenda for absolute housing. Another reason was the failure of negotiation between the NGOs with NGEF. However, at this time the BUPP itself was coming under serious criticism -- from the Dutch funding agency and also sections of the State Government. One of these criticisms related to the slow spending of project funds. Also imminent, was a review of the project for the second phase. The Chairman was particularly keen for the second stage since this funding could be shown to be part of the State budget's allocation for poor group. In real terms though, the government's allocation for poverty programs had shrunk<sup>149</sup>. This situation pushed the Chairman of the SC to take up the case with the NGEF directly with its very senior IAS officer (and his senior in the administrative hierarchy) who at that time was heading the NGEF as its managing director.*

*The NGEF Director's personal concern on poverty issues was combined with a rich experience of dealing with both governments and NGOs<sup>150</sup>. Significantly, she also had previously been the Secretary*

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<sup>149</sup> Such strategies are a convenient way to allocate money into non-poverty heads -- especially into large infrastructure projects which have significant political and economic benefits (the latter both official and un-official).

<sup>150</sup> One of the authors of this report, who had personal experience of this case, feels that as a person she had a much wider perspective of poverty issues in the city, its development into "enclaves" of both the rich and poor and strove to address issues of in-equity. The Chairman of the BUPP's SC on the other hand was a fairly conventional bureaucrat.

*of the KSCB and well aware of its internal institutional functioning. Her previous dealings and experience in the KSCB had made her suspicious of the NGOs -- especially those in the SC of the BUPP. The Chairman felt that the failure of the project was because of the NGO's approach to land issues. He instituted a 'government order' that land issues were an administrative one, the NGOs would not be involved in its resolution. This situation helped to 'brake the ice' between the BUPP and the NGEF. The two initial meetings to solve the land issues happened in the office of Urban Development Secretary rather than as part of the Steering Committee of the BUPP. These meetings decided that the ground level details could be resolved directly between BUPP's PSU and the NGEF, and not involve the KSCB or the NGOs of the Steering Committee.*

*Significantly, an indication was also given to the PSU staff to meet with the NGEF Director without the presence of the NGOs. In this meeting at her office, the NGEF Director asked BUPP to prepare a layout plan and given them an indication of the land area required for the settlement. Initially, the plan was prepared on the basis of allocating plots of sizes 15'x20' and set in a proper housing layout. The Director of the NGEF however, was keener on getting a broad area allocation rather than details. She decided on a seemingly simple strategy. After considering where the existing settlement was in reality, she proposed that they build a wall in a discreet way that would clearly demarcated territory between the land that the slum occupied and that was occupied by the settlement. This gave the settlement some additional land to include some rocky land in front of it. Also included was access from the back of the plot, since the front of it was already allocated to the employees of the NGEF who were involved in a turbulent negotiation with their director.*

*The construction of the wall was done discreetly with minimal official notifications. The NGEF director also immediately stopped the vigilance activity of their security staff<sup>151</sup>. Another significant decision was that the Director asked the staff member, to give an indication to the slum leaders that on the completion of the construction of this wall, the community should build and upgrade their units as much as possible. This would reinforce their claims on the land. This was important since the land was to be sold to the military, and more important, due to the BFIR issue. An indication was given that it was important to be quick and discreet since if any opposition developed to the slum, than local and state level political and administrative pressures would be in effective in avoiding an eviction. Also, at this time, the Director herself was involved in a complicated negotiation with the employees, and a visible resolution would attract the attention of the labour unions, the BFIR and other opposing interests. The director had assumed that with the construction of the wall, the matter would be remain at a low key, and allow residents there to peacefully consolidate their houses. Some immediately started to do so, and built more permanent structures. This action by the Director helped to significantly strengthen the claims of the residents. However, as we discussed in the earlier section, once the land issue was reasonably resolved, the NGO coalition and the BUPP director pushed for a proper layout formation and coerced the residents to demolish their houses to make way for proper housing. These actions had very regressive impacts.*

There are several themes that emerge from both the *Krishnianpalaya*, and the *Sanyasikunte* settlement. These relate to the issue that we discussed earlier -- those of visibility and ways by which the BUPP and the NGOs attempted to centralise control. In this discussion, we intend to focus on the issue of *Politics by Stealth*. Here we refer to the strategic intervention of the Director of the NGEF to structure a process that reinforces the de-facto tenure of the poor groups. This happens in a particularly tough

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<sup>151</sup> She took other supportive measures too. She helped the PSU to negotiate a rear entrance for the slum, since the resident association (employees of NGEF) used the land in front of the slum for their temple. Despite her difficult situation vis-a-vis NGEF employees, the director of the NGEF helped in contacting with the association members for getting land access.

institutional context. Significantly, the physical intervention involved is minimalist, building a compound wall. In the case of *Krishnianpalaya*, it is significant that the main actor is of a bureaucrat. However, this is a bureaucrat of very specific characteristics and in circumstance she was able to be very powerful due to her seniority in the system and also shrewdness due to her background experience. Most important, she was sensitive and perceptive of some of the fundamental issues confronting poor groups and with insight to define the larger consequences of actions. All this resulted in a strategically novel intervention that did just enough without attracting too much attention.

The IAS has certainly produced bureaucrats sensitive to poor groups. Several very smart people with deep-rooted social commitment join the IAS driven by a belief that they can get the system to work more responsively for poor groups. Most people conversant with the administrative system, including perhaps the IAS officers themselves would agree that the particular mix of characteristic and circumstance are very unique rather than emerging from an existing institutional space. A closer look at the case reveals that the bureaucrat may have had to operate outside the conventional administration system to achieve this purpose, rather than seek its support (The minimalist documentation on the official file was perhaps as strategic as building a simple wall). On the contrary, the NGOs, though their instituted role within the BUPP's Steering Committee, used the bureaucratic space in attempting to influence her decision.

This is important because it raises an issue if the higher level bureaucratic environment provides a space for this type of strategic action. We feel that this seems highly unlikely. There are other issues involved. This form of action requires 'guts' which perhaps an IAS officer at a lower level in the hierarchy would rarely risk. The general experience of bureaucrats -- including that of the Chairman of the BUPP who was party to this strategy, is of a very conservative approach to land issues and certainly not ensuring that de facto ownership is established on government land. We could hypothesise that the Politics of Stealth is unlikely to emerge from a bureaucratic environment and when it does, is likely to be a one off case centred on individuals with particular characteristics and in specific circumstances.

If it is not in the bureaucracy, what space supports or even nurtures the Politics of Stealth? We turn now to the world of NGOs and project officers. We focus in particular at the operational level of the field and specifically on more 'successful' cases. Even with this larger cynical perspective, we feel that it is still useful to focus on situations where NGOs have played a distinctive role. Our first phase report

on this project looked at a category of small activist NGOs. This was in the type of groups they worked with -- very poor women heading single parent homes in the central city area of Bangalore (see Box 3,7,8 of the Phase I report). We also focused briefly on the operational world of such an NGO / activist -- in terms of relationships and also strategies (See fig. 12 p.98, 101 of the Phase I of this research), and contrasted these with larger and more elite NGOs and other civic organisations. In the beginning part of this section we discussed at a greater length about the operational world focusing more closely on the relationship of their actions and the broader institutional setting. There were several things that emerge from this discussion. First, that the NGO / activist as an agent of change, was part of a larger more 'diffused' sets of political and social processes at work, rather than being a central actor 'leading the community'. Thus, the agent reacted to an ongoing dynamic. The agent used varying strategies to access the MLA and the councillor to deal with strategically on quite different issues. Interestingly enough, in this intensely political process, the local groups often used the activist NGO as a 'front' to reinforce their own clout. The activist agent did realise this but saw it as part of a necessary field strategy, rather than one of her own 'exploitation'. Her 'personal' agenda may have focused to help them organise as an association -- to gain more clout, and complimenting the broader 'programmatic agenda' of the NGO she worked with<sup>152</sup>. The agenda of the local group she worked with seems to be driven by two sets of interests. At one level, 'co-operating with the NGOs,' as long as they did not conflict. At another, to specifically seek out ways to see if they could specifically gain from such a relationship, and if possible use this relationship to address immediate concerns<sup>153</sup>.

What this leads to is the recognition of the complex undercurrents of the local arena, and raises what we feel is a critically important hypothesis: The local arena is a critically important setting for where the Politics of Stealth is nurtured. At the same time, we do not intend to reduce the importance of an individual's integrity, professional / technical capability aptitude and commitment. These are all very

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<sup>152</sup> This last point is reinforced by the fact that the agent used her NGO connection in a very sketchy way -- as a very thin supportive base rather than an operating environment. Her dealings with the local groups were almost on a one to one basis -- helped by her colleague who also felt that way. Their actions did not fit into the official programs of the NGO, but was in effect extra work driven by a human response to what local groups feel are their immediate needs.

<sup>153</sup> This situation happens quite often in NGO type of fieldwork. While the NGO field staff attempt to establish a program, the local groups also try and get the staff to help in specific items and interventions. While the former are decided by the project goals, closely monitored, evaluated, and results publicized in numerous ways including brochures seminar papers and the like, the latter is more hidden and rarely part of the project brief. Often treated as "fire-fighting" or needed to be carried out for the sake of the larger program, the success or failure of the field staff, and the NGO management to respond to the more invisible and local demands is hardly an issue. This raised an issue as to how sensitive are the NGO senior management and their funding agencies to recognize the "real field conditions" and demands down there. If the NGO are very hierarchical in their operational structure and subject their "workers" to rigid and tight their work schedules, if funding agencies similarly push NGOs to take this role, one can well imagine how this grass root responsiveness would soon be eroded.

important. However, it takes experience and reflection to realise that these have to fit into these complex local undercurrents to be really useful with a pro-poor impact. The challenge is the way the NGO - Activist is able to translate these into specific pro-poor (the single women and children) outcomes (more secure tenure and a places to stay close to employment, and basic services) in the context of the local social and political milieu.

What we are arguing is that the local arena forms a setting for '*Politics by Stealth*' where field based actions generates specific pressures to shape action, rather than emerging from a pre-conceived set of 'noble intentions'. Another example relates to one of the author's of this report own experience in the BUPP project. The reader will recall the case of the construction of the UGD in *Anandapuram*. Bh. immersed in the intensity of the project, mentions that at that time she perceived Bln. as a corrupt local leader, manipulating the local groups, and pushing his way to procure the civic sub-contracts. As a result, she used to particularly 'hated him'. On reflection and in realising the larger structure of events and the institutional politics involved, this perception is considerably softened considerably if not completely changed. Apart from the lack of the larger picture, she feels that her 'mental block' came out of what a sense of morality based on a more simplistic reading of local politics. Field experience helped bring in more greys into what was a more black and white picture<sup>154</sup>. For instance, the local leader Bln. did have a large and popular base in the slum settlement. He was quite popular in the community and often took on a role of sorting out complex social issues like divorce where he would ensure that a stamp paper was signed so that the husband paid the wife the required amount of money. Also, as is in the case of other local leaders, his kickbacks in the civic contract process are an open and not hidden in the community. This is also used by the local groups to seek financial help at the time of a crises and viewed as a obligatory role.

Bh. mentions that if confronted today with a similar situation, she would be more careful in opinions and much of her actions would stem from a more open ended guiding principle of doing something that does not affect someone negatively (rather than 'be driven' by a moral purpose)<sup>155</sup>. To reinforce

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<sup>154</sup> In reflection, Bh. mentions that at that time, apart from the way Bln. behaved when he visited the BUPP office and often took a tough stand against the administration, there was no real evidence that he was more corrupt than any of the NGOs. She feels that this negative feeling stemmed more from a planning education where implicitly and explicitly, show local leaders in a poor light -- as being corrupt, exploitative and part of a larger clientalistic politics.

<sup>155</sup> This is similar to other reflective field experiences of several people. Lisa Peattie has been advocating of being more sensitive and understanding how things work, rather than rushing in and doing harm. The Bangalore branch of the Swiss Development Co-operation (SDC) had promoted research on silk clusters with a TOR enunciating the same principal. The research team, including one of the authors, had to understand and describe how an existing industrial cluster worked and specifically to highlight as recommendations, "what not to do". Similarly Philip Amis, in the context of the first phase of

and explore the concept of *Politics by Stealth*, we turn to another of Bh.'s first hand experiences. This draws from a squatter colony called Nehru Nager in South Bangalore. This settlement, located on the border between a BDA neighbourhood and a Revenue Layout, illustrates how a project-based intervention erodes into the capability of *Politics by Stealth*. There are immediate and drastic consequences for the community (especially the women). The most critical is on the de-facto tenure. This in turn seriously impacts their economic stability. Second, it shifted the operating institutions to a more centralised level where local groups did not have access and their Politics of Stealth less effective due to the greater visibility of the situation. The cases highlight other important points. It also shows the insights and the wisdom of the local leaders, the local community and the NGO concerned whom in their own way, suggested ways to make the project less damaging. However, the driving force of the project centred on housing and equity as defined by this, made it impossible to respond or even recognise to these local signals. Interestingly, in this context, the BUPP staff member and the IAS Commissioner of the BDA involved were deeply concerned with 'fairness equity and concerns of the poor'. However, driven by the housing framework and despite the best of intentions, their actions paved the way for regressive consequences. The following case by one of the authors of this report, although lengthy, provides a detailed and vivid insight into these issues.

***Box 38: Naïve angels do more harm***

*The following paragraphs draw on my experience with BUPP interventions in land regularisation and infrastructure works in Nehru Nager. This is a very poor squatter settlement in South Bangalore. As the text below will show, conflicting agendas of the BUPP program, of the various local groups, between different layers of the bureaucracy, and my own misconceptions about poverty, political leaders, and development, all together eventually frustrated program efforts. This also resulted in severe hardship for some of the residents.*

*Nehru Nager had about 78 families. These were mostly migrants from Tamil Nadu belonging to Hindu SC and a few Muslims. The residents are engaged in hawking and construction work. The settlement is known in the city for roofing contractors. These are groups of people (often called the roof casting gang as it is a specialised job) who during the construction season, get employed as an entire group to undertake roof casting work. The residents were broadly of two types. The first, about 30 families, were slightly better off since they were the skilled workers and also richer hawkers. The rest of the 78 families were mostly young couples who worked as un-skilled labourers living in rented accommodation. The physical condition of the settlement reflected the poverty here with almost all the houses having thatch roof with few services. The residents too were caught in a mire of social problems, in many ways related to their complex relationships. The definition of a household was often not neat with multiple claims on a property. These stemmed from multiple marriages their resulting siblings, and all compounded by joint family claims etc.,*

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the research and discussing our Jane Jacobs' type of approach said that in deciding interventions, it was more important not to do bad, than to do things at all. All this suggests a professional approach requiring sensitivity and humility in parallel to a keen political sense of the situation.



*The settlement had developed on a narrow land parcel, bounded by the BDA resettlement colony - Bhavani Nagar on one side and a private revenue layout on the other side. The residents in the resettlement colony had some form of tenure security against institutional eviction. The majority of leaders for Nehru colony resided in the resettlement area. These leaders were predominantly Kannadigas and Muslims. Nehru colony did not have a critical mass to attract the attention of elected representatives. Whereas the families of Nehru Colony belonged to the Tamil Hindu SC population, they were located in the midst of more than 3000 mixed caste Kannadigas, BC Tamilians, and Muslims. This situation made their political clout very fragile and they depended upon the clout of the leaders in their neighbouring settlement. Furthermore, their land situation was highly fragile. Their small settlement was an island within an ocean of resettlement colonies, regularised squatter settlements. Sandwiched between a resettlement colony formed by BDA and a private revenue layout, no one was clear about land ownership. The chances of getting a title deed through normal regularisation process remained rather an impossible feat. It is however important to note that land titles as a priority was mostly a concern of the better-off of the residents -- about 30 families of the 78. The rest, young couples and the very poor did not have the time or money to invest to push for tenure regularisation. For most of these, the exact form of housing was relatively un-important as it was attempting to get stable jobs that were of primary concern.*

*My exposure to the Nehru Colony squatter settlement in South Bangalore was in March 1997 as part of BUPP team in charge of implementing habitat works in the area. This experience was driven by divergent agendas of the BUPP program, and the squatter residents. Residents of the Nehru colony were keen to be participants in the BUPP's program. Given their fragile circumstances, they perceived the BUPP (with its links to the BDA, KSCB and UD department at the higher level bureaucracy) as a way to consolidate their own situation. To the BUPP, Nehru Colony represented a 'poor neglected slum' with plenty of 'scope for improvement'. It also offered enormous potential to spend funds at a time when they had been criticised by the donor agency for slow spending of funds. As we have discussed before, large and easy funds available to such projects (together with a lack of accountable system) tend to push towards housing and high cost infrastructure. The habitat unit for instance, had the maximum budget allocation in the BUPP.*

*Funds within the BUPP were allocated to a particular neighbourhood on a per capita basis. Given the local situation at Nehru Colony, we at the habitat unit could not find many avenues for spending the amount allocated as per a conventional infrastructure program. The approach to the settlement was through a 3'0' wide pathway from the main road and the interior pathways were usually 2'0' wide. There were no public taps or toilets since this settlement had not been covered under any of the poverty programs. In the available open space, the community had constructed a 'mariamamma' temple and was reluctant to allow for any public water taps to be put in front of the temple. There might have been space to draw in water lines and some basic drainage, but the strong focus on the housing centred infrastructure did not allow us to explore these alternative strategies. It was always felt that housing was going to come anyway and then these investments would be wasted.*

*The infrastructure agenda was hence kept in abeyance and the program concentrated on income generation (via savings and credit co-operative) and on the Social aspects by extending support to the NGO to operate an anganwadi centre. Having a relatively co-operative community helped and the BUPP was also able to organise a variety of training programs -- most of which were largely ineffective and did not emerge out of local needs<sup>156</sup>. A year went by, with no infrastructure investments in*

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<sup>156</sup> These did not necessarily emerge out of local needs. The Director of the BUPP for instance, organized an NGO to train some of the hawkers selling flowers in the City Market to produce bouquets -- a total misfit (see pp: ). Another was a training programs on accounts and book-keeping. Here, the participants were reproached by a specialized NGO who told them how that they wasted all their money on tea and betel nuts. The solution was for them to maintain daily account registers cutting out their expenses for these items and thus realize how they could save more! The absurdity of these schemes becomes even more evident when we look back at the first part of this report where we have discussed the sophisticated financial systems and strategies that the so called illiterate groups use.

*the colony. The community, from being a mild and receptive audience started to exert pressure for infrastructure work. This intensified to an extent that they started to obstruct the Income Generating programs.*

*This was at a time when the donors wanted to wind up the BUPP arguing that spending has been too low. Consequently the habitat programs became the main target at different levels of the Steering Committee, the NGO forum and the donor. The approach to habitat works in slums like Nehru Colony remained and still continues to be intriguing. At the BUPP, there was a wide divergence of opinions at various levels. The approach of the Steering Committee members towards upgrading oscillated between two extremes. At one end are those clamouring for 'Neat housing layouts with clear title' so that infrastructure may be provided. At the other end are those arguing for implementation of individual programs like individual toilets, roofing loans rather than getting into public infrastructure works. The main NGO working in Nehru Colony had very wisely, a minimalist approach and was not in favour of getting involved directly in land issues. The head of the NGO advised me to leave it to the Chairman of the SC (a senior administrator) since it was a lower level administrative issue. We at the Project Support Unit were equally divided on this issue and exposed to different facets of local dynamics. The Social Unit, advocated 'housing' as it provided them an easy entry point into the community. Our Habitat Unit was completely opposed to house construction, drawing from the Egipura experiences felt that housing especially construction must be left to the residents themselves. This was also based on the available capacity of the PSU, together with the high level of corruption that housing projects spur at different level. In this conflicting maze of opinions, approaches and ideologies, a section of the Nehru colony residents also found a space in pressing for the land agenda.*

*In between all this, the BDA had sent notices to some of the residents to pay their betterment charges. It still remains a mystery as to how and when the regularisation process started in the settlement. When BUPP broached the subject of title deeds with the residents, we were told that BDA had once identified 78 households as residents of the settlement and also sent a notice for payment of betterment charges. Some residents also stated that in the event of resettlement, the 78 houses would be given alternative site. The BDA had issued some sort of an 'identity certificate' to the 78 houses. The notice was sent sometime in the early 1980s. Thereafter, the BDA did not take any steps and nor did the resident follow it up. In 1998, the BDA once again sent notice to five of the residents requiring them to pay their betterment charges. Following this notice, as there was no progress at BUPP's end, five residents in the settlement used their contacts with the lower level bureaucracy at the BDA to get their titles. This was via a lower level bureaucrat who resided close to the settlement, and whom the residents had known for a long time. Also, this was also the way their neighbours in the resettlement colony had successfully followed in retrieving their documents, changing the name from the initial allottees to their own etc.,<sup>157</sup>. Thus, the five residents entered into an agreement with the bureaucrat and soon the surveyor visited the area, measured their sites. The surveyor allocated 15'x10' plots to all the five residents although the actual area they occupied was much less. It is important to note that the bureaucrat suggested this size as it co-related to the minimum area required as per the regularisation norms. Once the surveying was over, the five residents were to enter into a registered agreement. All this internal processes were apparently co-ordinated by the lower level bureaucrat. The residents were told in April 1998, that their papers will be registered within a month or so. Once assured of their papers, they also decided to consolidate their houses.*

*Four of the five members that received the notice were also in parallel active participants in the BUPP program. The other residents were puzzled over this development and looked towards the BUPP to get their own titles as well. The five residents who had started the process were assured by the BDA official that their case would be soon resolved and started to consolidate their houses. Some of them also extended their houses slightly beyond their original occupied land. This led to fights over easement rights that often involved close relatives. The affected party sought BUPP's assistance to intervene. In*

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<sup>157</sup> See Box no.25, page 140, and para. 4 of page 139 in Phase I of this research for a more detailed account of this process.

*the mean time, the community was divided in its opinion about BUPP's capabilities to get their title deeds. This crisis in the settlement also became an opportunity for some families to settle their inter family, and other trade related conflicts. Susheela, although one of SDT leaders along with other local leaders who had contacted the BDA official, lampooned other SDT members that should they wait for BUPP to solve their problem they would get evicted. Consequently a rift emerged in the BUPP between the pro-Susheela group and anti-Susheela group. Thus, there were two parallel processes at work. The BUPP focusing on clear titles and some residents using lower level bureaucracy to consolidate their de-factor tenure.*

*The BUPP approach stressing housing and a neat planned layout generated other social dynamics in the community. This by default assumed a 'clear definition' of property relationships via title deeds gave rise to new - inter, and intra-family conflicts. Herein, BUPP (typical of any PAP programs) defined both the 'community' and the 'family' in a very narrow way. The 'community', although seen by the BUPP as being of Nehru Colony, was in fact, much more complicated: The boundary between the resettlement colony and the settlement was more of an administrative one since the resettlement plots adjoining the squatter settlements, were occupied by the relatives of Nehru colony residents. These groups were often bound together via complex ethnic, economic and financial circuits<sup>158</sup>. There are 3-4 contractors in the settlement. Of the 4 contracts, 2 of them live in Nehru colony, and 2 live in Yerab Nagar settlement. All the 4 families have a same family root in their village. For instance, Sakunthala, Pirandavathi, Susheela and Dharman are four of the contractors in the area. At least 60 of the 78 families working as labourers belong to the same root families in the village. Dharman lives in the resettlement colony but has rented out around 7 houses in Nehru Colony. Another such example is the case of Sakunthala, a hawker by profession who has also rented houses in Nehru colony. Some among the original settlers have returned to their villages allowing their relatives or village contacts to reside in their property in Nehru colony.*

*Equally confusing by the conventional BUPP perspective, was the concept of 'family'. Multiple marriages and relationships are common occurrences in the community. This obviously complicates claims on property that in Nehru Nagar stretches over two generations<sup>159</sup>. This situation in turn spurs a variety of tenure arrangements. The case of Patturoja, a 35-year old women, enunciates this. Patturoja's father was allotted a plot in the resettlement colony. He squatted on two plots in Nehru colony settlement. Patturoja was given a hut after her marriage. Her husband has a relationship with another women in the same settlement. Two years ago, he moved out of Patturoja's hut and started to live in the same settlement with the second women. Through the first marriage, Patturoja has a son, who is around 13 years old. The attempt by the BUPP to issue titles raised many questions: The property being her fathers', this opened up claims by Patturoja's brother. While being a carpenter but not having much business, he was interested in using it to generate an income through renting. Since the BUPP issued the title deeds in the name of head of household, this gave the opportunity for her ex-husband to lay claims on it. In addition, her present husband is also trying to get a share in the property.*

*The local pressure to address land issue also coincided, as stated earlier with the need to accelerate project spending. A repeated argument from the PSU including myself was that habitat funds could not be spent because of land tenure situation. In my BUPP days, although I was opposed to housing in terms of BUPP getting involved in 'physical construction', I strongly believed in poor groups getting title deeds as a way of strengthening their tenure. Little did I expect that such an approach would open*

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<sup>158</sup> This was particularly since being roofing contractors, their earnings fluctuated drastically across the year requiring them to invest their surpluses in the local chit funds and with financiers and draw upon these in other parts of the year for expenses. Some of them also enter flexibly into trade during the low seasons. For a detailed description of these economic processes please see page \_\_\_ in the first part of this report, and also pages 78-90 and Fig. 9 in the report of Phase I of this research.

<sup>159</sup> One must also remember that girls are "married-off" by the age of 13 to 15 years to boys who are also between 16 to 18 years. Apart from the numerous children, the complication in claims is from the children from the numerous alliances.

up a Pandora's box. As the local pressure increased from the pro-BUPP group, a community meeting was organised, wherein the issue of land was discussed. I went with 3 layouts prepared in PSU office -- ostensibly to give the community a choice in deciding the land issue. Four of the five residents (who had applied to get titles via the BDA's lower lever bureaucracy<sup>160</sup>) attended the meeting, albeit more as observers. At the end of the meeting, one of them Ismail in fact warned me:

'Do not open the land issue so formally ..... you are opening a Pandora's box. For you do not know the history of the many skeletons in it....'

In my professional assumptions, I missed the point at that time. I always thought, Ismail being one of the five that started the institutional process via the backdoor was biased. I was also convinced, that Ismail being a relative of the leader in the area, is too self centred and may even twist the 'powerless and poor groups' that I stand for in my professional capacity.

Parallel to the local level meetings, the BUPP via the SC organised for me to again meet the BDA Commissioner. This meeting pushed the land issue to the higher level of bureaucracy -- the latter with its own perception of 'legality'. In the meeting I explained the situation to the then Commissioner of BDA and argued that the piecemeal issuing of title deeds must be stopped. My conviction stemmed from the equity argument ...that the surveyor, allocating 15'x10' to those applying in the initial stages would eventually affect the groups that cannot mobilise funds quickly. I felt that such groups, often among the poorest would be pushed out both institutionally and by the locally powerful groups like Ismail and Susheela. The Commissioner agreed with this viewpoint and ordered the file proceedings of Nehru colony to be stopped. She further ordered a survey to be conducted of the area in order to ratify the title deeds for all the 78 families. Pushing the issue to the higher level started another round of problems.

We (my colleague and myself) in the habitat unit were to follow the survey with the divisional office of BDA. The surveyor stated that they did not have any basic map and that it would be difficult for him to prepare a settlement map with his resources. We had prepared a map for Nehru colony, which we offered to give to the BDA. In the meanwhile, information about our actions spread in the neighbourhood that increased resentment. The five residents in particular started to obstruct the savings program in the area. When one of the program staff went to collect the BUPP saving and credit amount, most residents refuse to pay it up. In between the lower level bureaucracy informed the five residents to accelerate the process of obtaining titles. He also told them that their papers would be registered in a week's time. Confused over the development, I met with the Commissioner of the BDA again asking her to stall the issuing of pattas. She in turn told me, that according to her subordinates there was no such settlement as 'Nehru Colony'. This surprising news presented a new problem -- if the slum did not come under the jurisdiction, which does it belong to? Nehru colony seemed like a limbo land, with no institutional jurisdiction.

I was equally confused as to how the BDA had sent the notices to the residences if they had no records of the settlement in the first place. It is then we at the BUPP realised that the identity cards are issued in the name of 'Bhavani Nagar'. What we perceived and targeted as an independent settlement had been amalgamated by the residents as part of 'Bhavani Nagar'. This was done as a strategy via the 'Porous Bureaucracy' to speed the legalisation process since Bhavani Nagar is a chaotic maze of resettlement, squatter (regularised or un-regularised) concentrated in close proximity that is difficult to fit within the institutional records. For the first time, I sensed that the 'fuzzy settlement definition' has enabled them to access ration cards, voter list and even get identified as beneficiaries of BDA programs. Even then, I was driven by the concept of 'equity'. Sometime in April 1998, one afternoon, the director of the BUPP informed me, that the five residents were waiting in BDA to register the document and that this has to be stalled. I too agreed with him, and as per his suggestion wrote a letter to the BDA Commissioner to delay the registration. This was carried out by the Commissioner and she issued the appropriate instructions to stall registration of titles until the issue is resolved as requested by BUPP. The lower level official however caught in between the community and the BDA, threw the ball back in BUPP's

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<sup>160</sup> Using the "Porous Bureaucracy".

court. He told the five residents that my letter pleaded for stopping the title all together to those five (rather than stall till the case is examined), and with this, his hands are tied.

*The situation of the delayed title deeds had other serious ramifications. I turn back to Susheela's case as an illustration. In three cases (including Susheela's) it was mostly women who handled institutional issues connected to land regularisation. This may have been since they in most cases were involved in more stable finance circuits<sup>161</sup>. This group was also at one time active in BUPP programs. The male folk, who saw BUPP as the reason for the stalemate, also viewed their spouses as being BUPP's representatives. This increased the pressure on the women at home to influence BUPP to get it to change its' stand, often leading to constant and very serious fights and domestic violence on the women. This kind of stress affected Susheela who was already an asthmatic patient. In one of her visits, Susheela confronted me, and stated that if she did not get the title, she would commit suicide. She had invested in RCC construction, two floors with the ground floor for renting and the upper level for her own use. The housing finance was to be raised through lease amount (from the ground floor unit) and the private financier's loan. Her calculation was based on the impending mango season where she could get higher margins for repaying the house loans. Due to the money required for the title stabilisation process undertaken via the lower level BDA bureaucrat and house construction, Susheela was unable to manage SDT activities.*

*She bluntly told me:*

*I have already taken 3 lakhs as loan to build the house.... this action of your will only lead to BDA demolishing the structure. Please get my title somehow from the office.*

*I was seized with guilt - for never did I realise the importance of these grey institutional spaces and tended to simplify poverty issues in a rigid black and white framework. I went back to BDA, sought again the support of higher level officials --- this time the Deputy Commissioner to clear the mess. The BDA Case Worker however, conveniently used to vanish every time I reached the office. The Deputy Commissioner, being new, had to depend on other lower level staff for information. Little did I realise that this would lead no where, and that the lower level staff were part of the game plan and would never reveal their colleague. The knowledge of file notings and procedures accumulated over several years, also make it possible for them to manipulate new officers. It is ironic that the resolution of the stalemate came from the lower level NGO worker. She herself was under tremendous pressure from the community and tried to find out about what I had done. Suspecting that the letter I had written to the Commissioner was being misquoted and used to stall the registration process, she located and confronted the Case Worker directly and forced him to show the letter, which had the particular file noting. Once the actual language used was revealed, this allowed them to proceed with the matter and the five residents went along with this worker and ensured that their titles were registered -- through the lower level bureaucrat.*

*The Nehru Colony experience raised important issues on my role and approaches as a 'professional planner'. I was sandwiched in between an institutional structure rift with conflicts. Often, I had to face pressures from the Steering Committee to speed up spending. The community too applied pressure to get some basic infrastructure and then on the process of titling. At a personal front too I was carried away by my own beliefs on the land tenure regularisation agenda. In reflection, my concerns with absolute tenure were reinforced by my own academic understanding of 'gentrification', 'displacement' and 'exploitation'. Despite the professed ideologies of community participation and empowerment, many of my actions, was driven by an academic view that attempted to be complete and definitive but in reality did not provide an complete explanation for the processes at work. Moreover, having had an apolitical planning education, that drills in many ways a planners role as 'problem solver', 'organiser of a city's*

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<sup>161</sup> Here, we are referring to the more economically stable families (about 30 out of the 74 families) and specifically interested in securing tenure. Within this group, it is mostly women as hawkers, who were connected to trading activities with relatively more stability on a year around basis. Most adult males were in the construction business, and specifically as roofing contractors. The latter saw economic surpluses only in the building season. This situation probably reinforced the control of the women in dealing with the on-going institutional process of land regularization at the lower levels of bureaucracy. This situation was also reinforced in the cases of women headed households who by default controlled space.

*function' and more fashionably as a 'facilitator', one often tends to assume a parental role in dealing with communities. Despite my training and my location in an institutional structure armed with several higher level bureaucratic powers and their pressure groups, eventually the problem was solved at the lower level, via what will be termed commonly as a 'sleazy corrupt routes' involving lower level bureaucrats.*

*When a seemingly organised structure like BUPP, aimed at strengthening people's claim making with the 'corrupt power craze' politicians and local leaders is confronted with complex problems like Nehru Colony, the BUPP's own internal contradictions surface. Rather than generating a pro poor solution, the people working within it find themselves mired in complex rules and regulations to generate a flurry of activities across different city institutions. All this ironically, results in more complications for the local residents. To an extent, my experience with Anandapuram squatter settlement also raised similar issues. In that case too, I was constantly locked in conflicts with the 'exploitative leaders' as I perceived them in the initial stages. On the other hand, the leaders were quite clear, about their ability to deal with the lower level bureaucracy and politicians and often wanted me to deal with upper level bureaucracy for which they had no access. In fact the Anandapuram group was quite alert in collecting the budget allocation in the government offices, using their political connection. In Anandapuram, I with the support of SC and the Director, had curtailed the fund allocation, on the grounds the community is too complicated to handle and that they have already got much of the program from the politicians. Probably a strong leadership in that settlement is what prevented a situation like Nehru colony. In Nehru colony, the residents, although shrewd, were overwhelmed and could not resist an institutional structure like the BUPP.*

Several issues can be drawn from the above case<sup>162</sup>. A major point that emerges relates to the way the bureaucracy is used by the group of five residents and how this conflicts with the strategies and interventions by the BUPP. This highlights two useful concepts. The first is what introduced earlier as the concept of the '*Porous Bureaucracy*'<sup>163</sup>. This research suggests that the Politics of Stealth happens most easily (if not as a prerequisite) within an institutional structure that takes the form of a *Porous Bureaucracy*.

The second point that emerges from the above case relates to the impact of conflicting circuits on poor groups. One is the lower level '*Politics by Stealth*', while the other is the more visible official planning and administrative circuit. Significantly, this conflict impacts the poor on their complicated financial circuits -- the type Susheela uses and finds seriously threatened. One could also argue that the *Politics by Stealth* represents a form of institutional democracy that centres on access into the system and one

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<sup>162</sup> There are other insights from the case that we have already discussed in this text. This relates to the way housing as a main focus, obfuscates the immediate demands made by the various local groups, and how the housing focus reinforces the agenda of visibility and the official "success" of the project. This propels particular type of program strategies. One could also argue that the large and easy funds available for such projects only widen the scope of the program beyond the institutional capability. Another issue is the link between actual structure of relationships both within the family and larger neighborhood structure that contrasts with conventional definitions. There is also an interesting link between these community structures and the form of tenure -- where the diverse field of tenure allows for these groups to settle in close proximity and spur social, economic and also political alliances.

<sup>163</sup> Benjamin S J. 1996 Op.cit..

that addresses key issues of land in the form of reinforcing de-facto tenure. The conventional view of transparency in governance ironically could have regressive impact. A corollary to this poses an interesting issue. Would conventional efforts at inducing transparency in governance actually cut off such pro-poor strategies in favour of higher income groups?

The case also highlights the serious problem with the assumption that an apolitical approach, reinforcing links to higher level bureaucracy are sufficient condition to induce change in structural issues pertaining to land, and thus the poor. Instead, this case (and others we have discussed) suggests that strategies based on high level bureaucratic approaches aiming for a cleaner administration (supposedly transparent) can generate serious problems for poor groups.

The third insight to one of the professional's role. At one level, this has to do with an apolitical form of education (and now we can see how seriously misinformed). What makes this case significant is that the regressive impacts of the project do not only stem from corruption but can result from conceptual problems. This issue raises another important point: How much space a program provides for 'localisation'. A program like the BUPP, although professing participation, reduces participation to a narrow level of organising the 'community' to fulfil its own internal programmatic agenda. Instead, can one conceptualise programs that place 'participation' on a higher and more substantive plane of deciding the agenda itself? If so, then one can well imagine that professional conception would be subject to scrutiny much earlier in the process and consequently do less damage. This relates to a much wider issue of the interface between the professional and civic realm.

### **1 Conceptualising the *Politics by Stealth*, the *Porous Bureaucracy* and *Poverty***

We now intend to focus our attention to this important conceptual point. The residents of Nehru Nager could be at first sight be seen to be a 'marginalised' group due to several factors:

- a) Their very fragile land location -- being a border between the Revenue Layout and the BDA developed housing area;
- b) The housing is all very bad, thatch huts, and very poor services;
- c) With their ethnic background-- their location as an island of a different community;
- d) Their relatively fragile local economy;

A careful reading of the case however turns this on its head. At one level, while the local groups could be viewed as being politically marginalised, they were anything but that. In fact they demonstrated great strategy in the way they pushed for tenure. All this requires an excellent operational sense of politics and lower administrative circuits. Significantly, the local groups did this on their own using a combination of 'Political by Stealth' and 'The *Porous Bureaucracy*'. The NGO involved in that area remained focused on their main operational area relating to micro-credit rather than purport to solve land issues for the community<sup>164</sup>. While some groups are most likely to have a fragile economy, these economic processes are linked to larger level economies -- linkages that are generally un-researched to come to a definitive position about the actual causalities involved.

This last point raises a broader issue. In the previous section of the report we had specifically contrasted pro-poor processes in the neighbourhoods of West and North Bangalore with those in the planned environs of South Bangalore. We had argued that the latter forms more fragile situations for poor groups -- largely influenced by Master Planning. Master Planning, we argued, opens up institutional space for higher income groups and corporate economies while closing options for poorer ones and economies that support them. In this context, the cases of demolition, the repression of hawkers, and influence of higher income groups could be all construed as an argument towards marginalisation. From this perspective, the poor groups in south and south east Bangalore would need to be picked up and organised to get out of this situation. On the contrary, we feel that the issue is quite a different one. From the perspective of the Politics of Stealth, we could argue that a main issue in the South Bangalore relates to the way institutional and political interventions (reinforced by a particular land settings) have served to erode the space of *Politics by Stealth*<sup>165</sup>.

If this alternative conceptualisation around the *Politics by Stealth* is valid, then it is useful to return to the settings of Valmiki Nager, the neighbourhood district of Azad Nager and the neighbourhoods of Yashwantpur. These can be seen as important locations for political learning -- places where ones can

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<sup>164</sup> This was despite being a member of the Steering Committee of the BUPP which otherwise was pushing for housing in a big way. This NGO is known for its focused and rather minimalist approach to development issues leaving much space for local groups to operate in. Their non-interfering position on the land issue was purposeful.

<sup>165</sup> Although we will not discuss this for want of space and time, one could argue that the impact of the New Market in the KR Market has had the same impact -- eroding the space of 'Politics of Stealth'. There is an interesting parallel between the KR Market case and Nehru Colony. The reader will recall that in the KR Market case, on construction of the New Market, hawkers were harassed by lower level officials and bribery increased. In the Nehru Colony case too, once land for housing was promoted making security of tenure more fragile, the same BDA officials who had been contacted and hired by the residents to survey their plots and provided ways to push their case through for land registration, now descended on the neighborhoods extracting bribes. They used the excuse that the settlement did not confirm to the official plan.



inculcate the strategies required for the *Politics by Stealth*. It is hardly surprising (as the reader will recall) the intensity of links between local politics, economics, and land settings here. This also included a complex cultural definition of identity<sup>166</sup>.

Such a perspective on contrasting political circuits -- the official planning apparatus, its institutions and the corporate economies that shape these at one level, and the 'Politics of Stealth' range of strategies focusing on the *Porous Bureaucracy* helps to get a more accurate reading of the political and institutional environment. In the research by Benjamin on the *Neighbourhood as Factory* in Delhi mentioned earlier in this report, the basis for that neighbourhood's intense economic productivity was the political process centred on land issues. Almost all of this politics in those locations fits in to the concept of *Politics by Stealth* -- suggesting a much wider applicability of the concept.

This raises an interesting issue about instruments relating to the Politics of Stealth. One type relate to the complex of administrative procedures that constitute 'The *Porous Bureaucracy*'. These relate to file noting that over rule Master Plan norms and procedures, that set the terms for public intervention and upgrading of infrastructure for land that is not fully legal and also including direct subversion by way of files going missing<sup>167</sup>. Another category relates to specific mechanisms. These could, emerging from a *Porous Bureaucracy* of regularisation of land crystallise as the 'Re-conveyance' or the '*Holder's Khata*' (or property ownership for occupants of privately sub-divided layout) as discussed earlier. This allows the State due to political pressure, return land notified for Master Plan development back to those who have present claims to it. In the case of Delhi, and the pressure of manufacturing cluster based local economies needing additional power supply, this has taken the form of the instrument of 'Local Commercial Area'. Another could be considered, but after a debate, to be the mechanisms of 'cut off dates' and 'stay orders'. It is important to note that these instruments are highly contextual. For example, 'cut off' dates, although used in both Delhi and Bangalore could be considered as an instrument in the former and not in the latter. This is because the political process that push for the legalisation of land in Delhi is much more intense since the planning system there is much harsher on private layouts. Each election, to almost a routine, has a new cut off date being announced irrespective of political orientation. This is now completely a part of the local set of political strategies

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<sup>166</sup> This refers to the cognitive link by Muslim groups who identified themselves on a common platform with the SC/ST -- tracing back this connection to a larger historical consciousness.

<sup>167</sup> We do not consider "Dharnas" or "sit ins" (public ways of protest) for instance. This does not underplay their importance, but we feel the Politics of Stealth is a more underground invisible set of strategies aimed at not generating opposition, but subverting it.

and procedures of the '*Porous Bureaucracy*'. In Bangalore in contrast, private layouts are recognised as a land type and thus 'Cut off' dates is less of an issue. Similarly, the regulations of access to electricity are more progressive in Bangalore as compared to those in Delhi where these are linked to the land status. Hence in Delhi, to accommodate the political pressure from the residential neighbourhood based industrial clusters, the instrument of LCA evolved. These can also relate to a broader institutional climate. For instance, in both Delhi and Bangalore, 'stay orders' and 'caveat' used to ensure the status quo when a slum is threatened with eviction. This still continues in Delhi but in Bangalore with the State Government taking on a more authoritarian stand, this is less effective with the courts being less responsive.

Thus, the Politics of Stealth, just because it is 'underground' and murky, is not fuzzy. Rather it responds to broad based social and political pressure via specific mechanisms. When the official state based planning apparatus is made dysfunctional / subverted and the groups benefiting from them feel threatened, that it is these mechanisms that are targeted. This is reflected in the review by the High Court on recommendation of the State Government, of pro poor and pro-Politics of Sleuth instrument of Re-conveyance section of the BDA act, and by default a tougher stand against another, the Holder Khata discussed earlier. This would impact not only access to land but threaten a larger economic system centred on local economies. The High Court, becoming increasingly conservative in a perversely 'activist' fashion, is likely to be a difficult place to obtain stay orders against demolitions. As important to note in this conceptualisation, that the elite of the city in parallel have reinforced their hold over mainstream planning and urban management.

The *Politics by Stealth* is obviously a murky world -- and has to be one almost by definition to be effective. Why stealth, and do the poor have to live by stealth? The *Politics by Stealth* refers to a situation, which we feel Bangalore increasingly characterises, where the official planning and administration is increasingly hostile and in-sensitive to poor groups. This is not one of merely feelings and attitudes but of the emergence and promotion of institutions that structure this on various planes. In the one of planning, the reinforcement of the Master Planning process via specialised development agencies. The promotion of the land acquisition from the BDA's act to that of the KIADB's more regressive one is a case in point. Also reflecting this situation is the promotion of dedicated infrastructure companies -- but drawing on State resources and also a direct stake in terms of capital. In the plane of governance, from para-statal with no or minimal local representation to more explicitly, where the city is directly managed by the corporate sector on key developmental and investment issues

-- the formation and the promotion of the BATF mentioned in the introductory section. This also extends or reflects in the plane of politics, where local political structures have been long eroded by increasingly centralised party system of controls and dikats to ensure compliance. This reflects in turn on the emergence of communal political strategies and groups. Initially the Cauvery riots in 1986, the Urdu riots in 1994, and presently and still ongoing at the time of this report, the Kanadda-Tamil confrontation.

The above issue also relates an important point about political mobility. In the case of Azad Nager we had show how the essence was the complexity of political alliances that underpinned its development. This was closely related to the way local politicians were pushed to take what we categorise as pro-poor stands. In the context of municipalised politics, an important question is if places like Azad Nager, Yashwantpur could evolve in today's institutional structure where municipalised governance has been eroded by para-statal institutions and where locality based politics has been overtaken by powerful party based systems of compliance. This raises several questions:

a) Would newer political entrants be required to know how to get the system of local government to be 'responsive' to local economic and civic needs?

Alternatively,

b) Would it suffice for their political mobility within the party, to round up hoards of poor squatters on a previous night and ship them in truckloads holding flags and shouting slogans to a rally the next day to welcome the Party president who has just flown in from Delhi?

c) Would it suffice for instance, for local politicians to move up the party system to ensure that journalists are wined, dined (and more at times) to ensure that party affairs are portrayed positively in the national media?

d) Would it suffice for them to institute deals between owners of stone quarries and construction / real estate companies to pay in for party funds and contributions?

e) Would it suffice, in these times of Mega-projects under mega funding, for political aspirants to ensure those squatter groups 'encroaching' (on the land allocated by the State controlled planning body for city modernisation) are set fire to and re-located? And perhaps more important, ensure that the contractors line the Swiss Bank accounts of their political seniors?

This raises an interesting issue as to where the *Politics of Stealth* is effective and where it is not. This form of politics is more effective in subverting more generalised interventions made under usually under the Master Plan mode of planning. These relate to zoning issues, legalisation and land use

'violations'. It is less effective however against those interventions where local groups and their representatives find access more difficult. This refers to Mega-Projects promoted by the highest political and administrative offices. We had shown the impacts of the Elevated Roadway and the construction of the New Market in the central city areas as an example. Similarly, this form of politics is also less effective against highest level of judicial interventions. Recently, activists are concerned with the serious impacts for poor groups by the string of strictures and judgements passed by the some 'activist' judges of the Supreme Court. There is little that poor groups and their Politics of Stealth could do in this regard. This is important to note not only from the point of view of access to decision making but also in the way of governance systems. Several authors have highlighted the formation of enclaves and gated communities (Soja; Caldeira, Holston, Castells, Harvey, Telles / Ribeiro in Marcuse / Kempen's Globalising Cities). What is interesting to explore if these also represent a trend towards 'ghettoised governance' and in turn into ghettoised poverty. For instance, there have been several pressures in Delhi to split up its' municipal structure into a series of smaller municipal bodies. The justification is that the problems of wards with slums are different than others. Would this move feed into a process of exclusion where elite groups institute an exclusive governance system without a 'Porous Bureaucracy'? To an extent, this already exists in Delhi. The exclusive environs of New Delhi (clean, green, and devoid of slums) is managed by the New Delhi Municipal Committee (the NDMC) -- a very rich body due to the extensive commercial taxes from the several high end commercial areas that it controls, and grants from the Central Government. The rest of Delhi comes under the Municipal Corporation of Delhi, its poorer cousin. It is hardly surprising from the perspective of the *Politics by Stealth*, that the NDMC does not have any local elected representative on its governing committee, and only when the Delhi Government came into power (after being superseded for 13 years) has included a State level politician. There is little space and time to elaborate on this theme. Our intention is to suggest a direct link between the emergence of exclusivity in urban areas like Bangalore, Delhi and other cities and forms of institutions. This seems particularly important to consider as cities like Bangalore and Bombay get connected to circuits of global capital which also in turn transform governance systems to ensure physical settings and infrastructure they can operate from (Sassen's *Cities in a World Economy*, and *The Global City*). Sassen makes a point that an important issue in this context is to map urban economies in a 'Jane Jacobs' way and to trace how urban institutions adopt common procedures drawing from globalised agents to ensure an appropriate corporate setting (Salzburg Seminar lecture and discussion). Our point here is that just as local economies can evolve into 'theatres of resistance' to such economies, this is underpinned by

institutional forms like the *Porous Bureaucracy* and strategies that include *Politics by Stealth* and also politics by explicit confrontation.

We would argue, based on the evidence from our five case locations and a outline review of the formal PAP and NGO initiatives, that the Politics of Stealth is vitally important for poor groups to survive and benefit. The complex world (murky to some) may not be the one internal to the *Politics of Stealth* but rather in the way it interfaces and transforms / subverts the planning process, the institutional structure, the forms and circuits of governance and fundamentally the nature of politics itself. We will return to this issue in the concluding section of this research.

In this section, we have focused on PAPs both by NGOs and Government ones to highlight their contrast in earlier sections where we looked at various forms pro and anti-poor processes. Our critique of the system was also to identify a larger conceptual issue, *Politics by Stealth* and explore its various dimensions.

## SECTION 5 CONCLUSION

### 1 Pro and Anti Poor Processes, Institutions, and Politics

#### 1.1 A dialectical landscape of *Local democracy*

We have shown how *local democracy* is a critically important factor in making for pro-poor processes, institutions and situations. This happens however in complex and multiple ways and in complex settings. At one level, this relates to helping them to access the public system – access to the PDS, and ration cards. At another plane this is in transforming the system – to change the tone of land development to greater emphasis on land regularisation, and within the system of land regularisation, to allow for a diverse tenure regime<sup>168</sup>. Anti-poor processes are for instance, not only to do with institutional fractures or procedures which restrict water lines, toilets for girl students, or equipment for primary education, but in a structural sense the alternative interventions come to be formed: Providing lap-tops with \$4000 worth of software to a select few set in plus surroundings can be provided greater priority<sup>169</sup>.

*Local democracy* is also helpful to make the system less susceptible to being ‘bad government’ – where planning and modernisation is interpreted as promoting a large mega-projects of shopping and commercial complexes where hawkers are policed out or restricted to un-remunerative interior locations. We refer to the way these interventions ‘tip’ local social and political processes against poor groups, where local elite does not need to respect reciprocal obligations. These too form a range of anti-poor mechanisms perhaps more invisible but equally effective as a demolition or a resettlement.

In looking at the above, it seems that its vitally important to consider the ‘governance of urbanisation’ rather than only urban governance. *Local democracy* here relates to local groups pushing for institutional space, a regulatory climate, interventions that allow them to access surpluses from the process of urbanisation. This last point, relating to the emergence of local economies, is critically important in the context of several factors:

- a) Rapid city growth;
- b) Declining fund allocation for targeted poverty programs. This is reinforced by their dilution to address real needs due to the promotion of symbolic elements and to reinforce party political systems;
- c) Increased competition especially over land and public resources by elite groups.
- d) Emergence of institutional structures shaped by a congruence of two factors: i) a state and perhaps national level party systems in efforts of ensuring sustainability and party compliance promotes a authoritarian ‘politics of poverty’ ii) The capture of higher levels of government by elite groups to access subsidised infrastructure, land in good locations, and favourable fiscal climate to secure their investments and profits.

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<sup>168</sup> See Annex 1 “BDA scheme to regularise illegal construction”

<sup>169</sup> Annex 1 “A laptop for everyone, that’s Bangalore’s IIT for you”.

There are several other observations we can make in looking at the rich, the poor, and governance. First, at the core is to view poor groups as active agents rather than passive beneficiaries. We showed in several cases, both in our main case studies in Valmiki Nagar in Section 3 and later in our discussion of the BUPP program, how so called 'marginalised' groups used sophisticated strategies. They may not have been totally successful in their objectives (assuming however that these were also homogenous) but the point was of action and not passive or static situations.

Second, this also suggests that maybe we should move away from conceptual categories like 'welfare' and 'productive' – which now seem conceptually flawed like those of the informal sector. In our perspective, while the public announcement of a new criteria to procure a ration card or increased allocations to the PDS might be a 'welfare' investment from an accounting point of view, the main issue is to see how these get translated into real benefits. The politics in this situation is important – and as 'activist' as efforts for land regularisation or subverting demolitions via court stay orders. Third, this argument also relates to the need to distinguish between 'accounting' categories and those, which are operational in accurately understanding social and political reality.

The fourth general observation is an institutional one. Economic policy is not just about macro – environments as a sort of magic to get things to shape up locally. Our emphasis here has been to explore how larger and local processes are manifest in particular institutional forms and the dynamic they are subject to. Here we are talking about not only super development agencies like 'development authorities' but also the organisational structure of local society. We have shown how poor groups, as active agents do not operate in a simple linear arena. Instead the local terrain is complex, often dialectical, and shaped by complex ethnic aspects and also reciprocal relationships with local elite too.

The fifth observation has to do with the way local relationships are shaped and cemented by economic and also political links. Economic organisation (rather than being the 'informal sector') is linked to a complex multi-layered financial systems bound by sophisticated mechanisms. These can, as some evidence has shown, cut across rural -urban areas and forms part of distinctive strategies both long and short term. The interesting thing here is that these relationships and alliances are not static but in flux – responding to economic and also political opportunities. Most important is that these structures are able to confront contemporary forms of governance institutions that can hardly be called benevolent to poverty issues by any stretch of imagination.

Our general descriptions also highlight the centrality of land issues. This recognition is well established in the literature on urbanisation – in a managerial and also a broad political sense. While this is important, this focus has been from a ‘housing’ perspective. Our effort here has been to reinforce land issues in making the economic consequence and a closer look at the politics of this. In fact, we have shown in Section 4 the serious consequences of pursuing a ‘housing approach’ to resolve poverty issues. Land policy seems to be a key lever – addressing poverty from a multi-dimensional perspective.

### **1.2 Messy politics is not necessarily ‘dirty politics’**

Most outsiders (and this includes residents of the richer parts of Bangalore) to the neighbourhoods that we have described, would term the political processes there as being ‘dirty politics’. We take the view that the interface between processes of democracies and the range of development processes will be necessarily messy. In fact, much of this messy politics can be significantly ‘pro poor.’ A neat and clean de-politicised bureaucratic system enforcing Master Planning can be efficiently genocidal in wiping of the economic settings for vast groups of poor groups in one stroke. Using computers as an effort of making managerial systems more efficient, will only make the machine more effective.

We feel that instead, the need is to conceptualise an institutional terrain that allows for a messy politics despite its dialectical and contradictory space makes for pro-poor decisions on key issues that affects them. Promoting ‘transparency’ and ‘accountability’ are key issues here not in a techno-managerial sense but in a political sense of access and influence. For instance, to what extent can poor migrants from North Karnataka can shape or influence decisions to extend water lines to where they stay? How effective are they if they are only five families and have been in Bangalore for only 6 months as compared to if they were 500 all in one place and been in the city for 1 year. What are the institutional / political options to the group of Muslims from the north Indian state of Uttar Pradesh in Valmiki Nager mentioned before on a similar range of issues. How effective is the messy politics for the single women living on the terrace tops of shops in the KR Market area to avoid being resettled after the new market complex has its parking lots built up? It is this kind of specificity that we feel institutional forms should address.

Our observation point towards the need to explore the form and contours of a system of municipalised governance. Such an exploration is not new, and being increasingly the focus of academics and also



administrators<sup>170</sup>. This exploration has several aspects, and much of the current studies have focused on its technical / managerial aspects. There are obviously political discussions of the issue. However, these remain at a constitutional plane.

Our interest in these explorations is they respond not to invention but rather reflecting complex political processes underway that characterise Indian polity. We define such a plane of analysis since even the techno-administrative-constitutional analysis has emerged in response to very significant political processes underway rather than from a normative beginning. If so, then to explore the way institutional structures can respond and incorporate a messy politics which is locally responsive, we need to look more directly at these processes and their institutional outcomes.

### **1.3 Towards a municipalised system of governance**

One must realise that given the complex cultural and historical aspects of Indian society, processes of change at the local level are neither homogenous nor static. An outline review of local experiences is useful to suggest that there is much to learn from this diversity. Existing research including anecdotal accounts suggest that Kerala can be a useful focus state. This state made famous for other issues of health and education is also one that has some of the most interesting range of institutional changes at the grassroots<sup>171</sup>. Here we refer to municipal procedures that have made the council stronger to reduce 'party politics' at the local level and help build cross-party alliances. Another is to bring the Development Authorities under the supervision, control and financing by local bodies. A third is the now made famous, local level planning efforts via the 'peoples planning campaign'. Other states are also worth considering even if developments there are less comprehensive. These are Andhra Pradesh – in the way ward level representation fits into a larger representation process at the municipal level<sup>172</sup>. This requires detailed grassroots level research on documenting procedures, and particular pro-poor impacts of Government orders<sup>173</sup>. Such an investigation can bear unexpected fruit. For instance, surprising changes and ideas being put into practice from states thought to be less progressive – where municipal committee can have inspection powers over developmental works carried out by

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<sup>170</sup> See Pinto M., 2000, and Benjamin 1998 for a discussion of this issues. The Indian Institute of Public Administration New Delhi has in particular published several studies on this issue. Another is the ISS (Indian Social Institute) series of studies on Urban Governance in several states.

<sup>171</sup> See: Benjamin S.J. 1999, "The 74<sup>th</sup>. Ca From A Livelihood & Developmental Perspective" Paper prepared for the UNDP presentation for the India Development Forum Paris.

<sup>172</sup> Benjamin S., Kumar, A., "Implications Of The 74<sup>th</sup>. Ca On Urban Management And Planning In Three South Indian States: Karnataka, Kerala, And Andhra Pradesh" for the DTUDP, Administrative Training Institute, Government of Karnataka Mysore India 1999

<sup>173</sup> Annex 1 "Legislator files petition against GO"; and Annex 1:6: "Corporators oppose move for scrutiny by MLAs".

Development Authorities a in Punjab<sup>174</sup>. Also, a closer scrutiny suggests that these happen even at the local level within a common state defined legislature. In several cases, there are even more local situations. In Karnataka, the Town Planner under nomination by the State Government is conventionally housed in the offices of the Development Authority. In Mangalore however, known for its active citizenry, this office is located in the building of the municipal corporation with informal control of the council. There are other very local and contextual issues. For instance, Karnataka has historically had three forms of Governance. The first is part of the Madras Presidency usually in its southern belt including Bangalore, the second influenced by the (Deccani) Hyderabadi maharaja system in the northeast of the State, and the 'Bombay system' in the northwest. These reflect in conventions, procedures especially relating to land use and tenure regimes (issues which we have highlighted earlier) in the context of revenue land and hence relates closely to non-Master planned land development in the peri-urban areas<sup>175</sup>. It is significant that the institution that most easily accommodates these contextual and historical elements is the municipal systems founded on local political representation.

The points mentioned above are piece meal drawing on professional experience of the authors rather than the outcome of a specific research project. Even so, they suggest that just as we explored the complex local terrain of neighbourhood politics of Valmiki Nager, it will be of great value to explore the local institutional terrain and analyse the pro-poor impact of very specific and local procedures. In exploring the terrain of a municipalised system of governance, we outline some areas for specific

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<sup>174</sup> Benjamin UNDP –1999 op.cit.

<sup>175</sup> While looking at the ODA funded project in Visakapatnam in Andhra Pradesh, one of the authors made it a point to compare the procedures of the UCD programs to upgrade settlements (which were quite locally responsive) to those of the surrounding municipal council (smaller in the urban hierarchy than the Corporation of the Visakapatnam). He was pleasantly surprised to see about 16 tenure categories which people used to claim locations and services. This diversity opened up the space to recent migrants from the poverty stricken districts of Orissa to could settle and get employment in the rapidly growing steel and other industries. Similarly, in a small town of Madikari in Karnataka, he found that there were 24 categories of tenure claims, which help people to claim locations. While many of these seemed pretty fragile, they were accumulative in claims – meaning that people could with time and building up political and economic links, upgrade their status. The point here is that such multiple tenure forms as an entry point. In Ramanagaram mentioned earlier for its silk reeling industry and Asia's largest cocoon market, one of the authors found a similar diversity of tenure systems that allowed newly developed and settled land to get infrastructure and services in half the time taken as compared to ones of a similar status in Bangalore. This situation in turn allowed for a vast rental market to house very poor land less workers to move in during the high silk season to start small low end enterprises and then move out during the rains to work as agricultural labour. However, with the upgrading of the local town planner's office into a mega development agency, land tenure systems were homogenised. With this in 1996, no new settlements were regularised in the two years after that event (in 1998 when the field visit was made). Instead of a flexible small scale private sector, the new development was of unoccupied mass housing 4 storied flats allocated to state government officials or the official poor, both of whom preferred to be in Bangalore.

investigation. Incidentally, these are also issues where political processes do converge suggesting their local relevance:

- a) The structure of representation at the Ward level and how these link to decision making at the level of municipal councils.
- b) The specific role of councillors in terms of reserved constituencies and the criteria to decide on these.
- c) The position of 'nominated' councillors.
- d) The extent of development funds controlled directly by the councillors and those that are accessed via the municipal council or its committees.
- e) The number and powers of council committees and relationship of these to both the mayor and commissioner.
- f) The relationship between ward boundaries and those of planning districts and also other territories drawn up by service provider agencies.
- g) The extent and control over the official master planning and investments process by the Council over the Development Authority.
- h) Operational control over land issues especially those of regularisation and extension of services into privately developed areas.
- i) Ability to raise taxes from the areas regularised and provision of services to these.
- j) Public participation at the ward, municipal, and also urban level on infrastructure and other development issues. This can be via ward level meetings, access to council meetings and also forms of Public Hearings.

One must keep in mind that one cannot 'design' or 'master plan' an institutional structure. This has to emerge from a messy political process reflecting varied levels of consensus building among varied groups. This is even more so with the emergence of coalition form of governments rather than political structures being dictated by central party commands. What we are suggesting thus, is to identify and appreciate messy structures, which allow and create space for a 'pro-poor' politics more easily than space for 'bad' politics. In our focus on the local, we are not neglecting the role played by the State Government. The Kerala case is also significant in this respect.

The other learning place is from particular programs as they relate to promoting municipalised governance. Here, this is not only in terms of the overall philosophy of the program but also its specific elements. Here, lessons from the UCD approach in Hyderabad and Visakapatnam would be worth considering as well as some of the current experiences in Ahemdabad – an off-shoot of the earlier slum-networking approaches <sup>176</sup>. In the former, its institutional base being at the level of the corporation and in the second, particular elements like the 'enabling' legislation which allowed the AMC, and various NGOs to come together to form a useful infrastructure program.

We feel that promoting for a municipalised form of governance is particularly relevant since much of the development trends in Karnataka are just the opposite. At the poverty front, the BUPP type of program is being pushed to the forefront once again despite the more positive impacts of other

approaches, or even that of doing nothing! In parallel, there are extensive urban renewal schemes being supported by a more rigorous form of Master Planning. This include an elevated mass transit system argued to modernise and promote public transportation; A new International Airport; and a new 8 lane expressway connecting Bangalore to Mysore and with it several new townships to de-congest the city. The issue is one of governance. Just as areas like Azad Nager have developed via their political clout largely at the municipal level, these investments have come from political clout of a different kind. For one, the institutions are different -- super para-statal bodies with little or no local representation. While cases like Azad Nager have evolved via complex negotiations involving poor groups, decision making here has largely happened via the secret clauses of the MOUs signed within closed doors at the highest of political and bureaucratic circles. Support for these exclusionary approaches comes from many directions. First, the promotion of urban renewal based mega-projects and Master Planning is one justified on infrastructure for modernisation -- to make 'Bangalore a Singapore' as intended by the Chief Minister<sup>177</sup>. These developments have serious implications for the cities financial management which is now even more centralised and senior bureaucrats made on a permanent status rather than accountable to the municipal council<sup>178</sup>. Here, it is hardly surprising that civic groups representing the interests of higher income citizens openly lobby for this<sup>179</sup>. Not only this, compliance to centralised party structures reinforced by possible kickbacks from large infrastructure projects<sup>180</sup>.

In parallel to this is the increasing influence of corporate groups in the official policy making process, and efforts to induce 'development' via a regime of tax breaks to the corporate sector<sup>181</sup>. Instituting such a political system centred on party alliances and diffuses one built on local politics. The increasing influences of the corporate sector, especially those of the IT industry that 'manages' the city is reflected in the Chief Minister created 'Bangalore Agenda Task Force' (BATF). As an essential instrument of governance, the BATF ensures public investments into high-class infrastructure and a globalised city cleaned of its localised culture and poorer groups. It is hardly surprising that some of these corporate groups take advantage of their proximity to State power circuits to shape investments

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<sup>176</sup> Annex 2

<sup>177</sup> See Annex 1 "CM snubs politicians for opposing BATF"; "Krishna reiterates vision of modernising city"; "CM lambastes BMP again".

<sup>178</sup> See Annex 1 "Execution of infrastructure related projects BMP to sign MoU with the State", "Dalwai permanent commissioner for BMP".

<sup>179</sup> Annex 1 "CM urged to ensure proper functioning of BMP".

<sup>180</sup> Annex 1 "Bangalore legislators eye chief minister's portfolio".

<sup>181</sup> Annex 1 : "Narayana Murthy may be non-executive chief. State government to float firm for Bangalore airport project"; "The International Technology Park at Whitefield: Work on second phase of ITPL soon."

and regulations in their favour via interventions of para-statal agencies<sup>182</sup>. This is despite these policies being questioned by senior policy makers including those from the party itself<sup>183</sup>.

In parallel, previous progressive policies on regularisation are replaced with more authoritarian ones<sup>184</sup>. The main issue of the lack of access to even basic infrastructure by large proportions of the city's population including the poor remains<sup>185</sup>. Even so, the emphasis has remained on promoting even more of the BUPP type of housing centred programs and other interventions that only restrict their economic opportunities and set in place a corrupting system<sup>186</sup>. Even corporator centred citizen participation based civic systems that worked reasonably well in the past have been diluted in the effort to clip the wings of the elected representatives<sup>187</sup>. The results are hardly surprising and predictable. Most recently, the outbreak of gastro-enteritis<sup>188</sup>. As serious is the serious discontent that builds in younger generations faced with no jobs, high expenses to pay high prices and witness their contemporaries in the IT sector who live luxurious lives. It is hardly surprising that these youths are drawn to and fuel a political system centred on ethnic violence to ensure party compliance and symbolic show of strength. The mob violence that results is difficult to control<sup>189</sup>. In the last few months beginning January 2001, the slow down in the US economy and the rapid strides made in China in the software industry have raised concerns about the hi-tech employment in Bangalore and the consequences of this on related industry including the construction industry. On the other hand, the trend towards a coalition based politics and a local economy centred around urban development are also promoting the kind of political changes that have the potential to change governance systems in place. One indication is the fact that recently the leader of the opposition was elected as chairman of the Finance committee in the BCC – one of its most important committees. Thus, it is these conflicting processes that constitute governance circuits in Bangalore.

## 2. Policy Implications

What does our main argument of democracy and three sub-arguments tell us about policy? Does our description of the complex mess of local politics via the *Porous Bureaucracy* and *Politics by Stealth* imply leaving things as they are? Do our descriptions of how urban renewal promoting 'modernisation' suggest not intervening? Do our arguments about the importance of a diverse tenure regime and incremental land development imply in-action?

At one level, one important policy outcome is to closely observe how things operate for the poor to avoid being 'bad government'. Also, to recognise the differences in structures of political claim making and a greater appreciation of the history of party politics as it differs from one state to another. At another level, there are ranges of institutional innovations to consider in terms of their specific operational features. For instance, those in Kerala, which emphasise a ward-based development system

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<sup>182</sup> Annex 1; "HC notice to KIADB, Infosys."

<sup>183</sup> Annex 1 "Where are the jobs, if any, and who's getting them anyway" a series in the New Indian Express February and March 2001; "Concerns over swelling ranks of jobless".

<sup>184</sup> Annex 1 "BDA scheme to regularise illegal construction" and "Govt. promulgates ordinance repealing BDA Act amendment".

<sup>185</sup> Annex 1 "Corporators complain of water shortage in many parts of the City. Mayor directs BMP officials to take steps soon".

<sup>186</sup> Annex 1 "Two new projects for slum dwellers in Bangalore; BMP announces list of footpath hawkers".

<sup>187</sup> Annex 1 "The real "Swatcha Bangalore"

<sup>188</sup> Annex 1 "Many borewells contaminated", "fresh gastro-enteritis cases in Bangalore."

and also elements from other Indian states including surprising ones like Punjab. These institutional innovations have emerged not out of specific planning process but out of a political response making a closer study of these even more pertinent.

Another is to return to look at older programs like the UCD in Visakapatnam, which had municipal centred programmatic elements and structures worth reviewing. Similarly, looking at on-going programs like the 'Slum Networking' efforts in Ahemdabad not in their original conception (largely dis-credited and rightly so) but in terms of their present more invisible implementation procedures centred around municipal bodies. In this context, interventions that promote the role of Development Authorities or similar para-statal agencies and 'urban renewal' projects are likely to have a regressive impact.

On the economic front, the emergence of significant local economy clusters that have provided the political stimulus to shape a more progressive land policy and at times, even substantial revenue generation for local government. We feel that this is one area where almost all poverty approaches have missed out or dealt with in a marginal way as the 'informal sector'.

An important policy level is that of effective land policy. Here, the need to recognise the important consequences of incremental upgrading based approaches. These might seem traditional but seem to have important positive impacts on the economic front apart from broadening access to land in good locations. In our report, we have emphasised the importance of regularisation as a way to maintain and recognise the diversity of tenure on an 'as is where is basis'. This contrasting approach (usually aiming to promote the construction of new housing) which attempt to re-allocate territory and thus implicitly or explicitly redefine existing tenure arrangements. This important point was extensively discussed in a National level workshop in Mumbai arranged by DFID and the Government of India. The group discussed the need to 'swim past' tenure issues (rather than make them an end in itself) and focus on instead, how to get basic services and infrastructure in, to resolve immediate issues of flooding. Related to the land issue is the recognition that promoting new housing (in lieu of slum upgrading and regularisation) can have seriously regressive impacts on poor groups<sup>190</sup>. One of the important underlying

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<sup>189</sup> Annex 1 "IT Image will not be marred: industry"; Also see the image pages at the beginning of the report.

<sup>190</sup> It is true that at times, slum or land regularisation has at times been used to also do new housing. However, the point has been if the housing component was the main component of the program of one that came in response to re-settling those in explicitly and locally agreed situations which are life and health threatening: Location on flood - prone backs of canals etc. In some very rare and un-usual cases, like one of the situations in the Urban Community development Programs in Hyderabad, an upgrading program and land regularisation has involved the residents opting to build multi-storied housing. But the norm seemed to be fairly ordinary infrastructure upgrading which were very very useful. If this is not the case, one

features of local clustering economies is the diversity of tenure that reflects and allows for smaller subcontracting firms to exist in close physical proximity to larger ones. If this aspect is destroyed, then the economic base is directly threatened and one can hardly expect local associations to accept this form of regularisation, let alone pay for infrastructure improvements! On the contrary, as I have researched in detail in the case of Delhi, and Bhuvana and we did in the context of Ahmedabad, there is wide spread support for a more sensitive upgrading program that 'swims past' the tenure issue -- and includes the real possibility of raising revenues.

In summary, our policy prescription focuses on an approach that contrasts that of 'invention' -- like an impersonal Le Corbusian landscape on an assumed flat and feature less terrain. Instead, one that stems from closer observation of the political and economic vitality of local processes and of Indian society.

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can make a fairly solid argument that doing housing as a main component is quite different from the spirit of regularisation. Site and services for instance, can hardly constitute to be regularisation.

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## **Annex 1**

### **On jobs, tax breaks, greater representation or corporate leadership, civic groups, the politics of land: modernization Vs access to water"**

New Indian Express 24<sup>th</sup>. March 2001

#### **Where are the jobs, if any, and who's getting them anyway?**

BANGALORE: The State Government's policy of granting a slew of tax incentives to new projects was guided by two primary objectives: First, to develop the backward regions of Karnataka with fresh bouts of investments and second, to create a large number of jobs as a consequence of these new mega projects. Now, as the State Government gets ready to present its second Budget, it is necessary to take stock of the fallout of pursuing such a policy of sops....

The projects that came before the GIM, noted the study, were mostly capital intensive and did not yield much employment potential. This was evident from the fact that over a lakh jobs were created from an investment proposal of Rs 27,000 cr. On an average, that accounted for one job for an investment of Rs 26 lakh. Of the GIM projects, the one which promised a maximum number of 7,500 jobs against an investment of Rs 2000 cr was from the Markets India Petrogas. The least potential with a mere seven jobs came from Mesha Engineering Industry that proposed to invest Rs 2.22 cr in Bangalore. These examples make it amply clear that tax incentives may not be the best way to address the unemployment problems of Karnataka.

The study, however, suggests that if the GIM projects were to become labour-intensive, they would have to avoid mechanisation and employ skilled personnel in its place. But this does not happen in a free market. The projects, however, promise the moon while claiming a host of incentives. For example, Coca Cola sought 15 acres of land, 2900 KVA power, 2000 Cu metres per day water, besides the usual sales tax exemption. It wanted water supply free of cost for five years and demanded subsidy on power. In return it promised jobs for 500 people.

It is this promise of jobs that does the trick. For, the industrial policy does not mince words when it stipulates that all new investments must create maximum employment and give minimum 80 per cent jobs to locals. As for the lower-level jobs, all must go to the locals.

The fine print in the policy even claims that the State Government will monitor this while disbursing incentives and concessions. But the point is that "inspections" hardly ever happen. For, the earlier industrial policy was said to have cleared an investment of Rs 39,951 cr, projecting 2.87 lakh jobs. While the State Government may have ready figures to show how many of these investments have indeed materialised, it cannot give a similar figure of employment generation. The reason is simple. First: All investment proposals have come from private enterprises and second, the State Government has neither the manpower nor the energy to check if these units have generated the promised jobs.

#### **Concern over swelling ranks of jobless** DH News Service BANGALORE, March 23

The State Economic Survey 2000-2001 has projected that the Gross State Domestic Product (GDP) to be higher than the national level for 2000-2001 even as it expressed concern regarding the increase in the number of job seekers. The annual economic survey brought out by the Department of Planning and Statistics and Department of Science and Technology, which was released here today, projects the State GDP to be 6.2 per cent in 2001 as against six per cent at the all India level. The survey presented in the Legislative Assembly today, mentions that a comparison of per thousand distribution of employment and unemployment in 1993-94 and 1999-2000 showed that there is a general decline in both employment and unemployment and an increase in those who are out of labour force.

**DECCAN HERALD**  
**Narayana Murthy may be non-executive chief**  
**State Govt to float firm for B'lore airport project.**  
From B S Arun (DHNS) NEW DELHI, Jan 3 2001

In a major move, the Karnataka Government is likely to set up a company to implement the much-delayed Bangalore international airport and appoint Infosys chief N R Narayana Murthy as its chairman.

The setting up of the company which will be called Bangalore International Airport Authority Limited (BIAAL) and appointment of the software strongman as its non-executive chief is likely to be announced any time now by Chief Minister S M Krishna. The authority will have an IAS officer as its full-time chief executive officer (CEO).

Informed sources told Deccan Herald today that Mr Murthy has been chosen to head the company because of his commitment to the infrastructure development of Bangalore and his information technology background. With the impressive growth of IT companies in Bangalore, it is opined that it is these companies which will benefit most from the international airport.

The BIAAL will be an independent company having its own board of directors which is likely to include eminent personalities drawn from the field of industry and financial world. It will have on its board, senior officials of the state and the Union Government. The State government is likely to inform the Centre once the company is set up as the airport will be a tripartite project with major stake held by private sector. While the State government and the Centre (Airports Authority of India) have 13 per cent equity each, the private, international partner will have the rest 74 per cent.

Thus, facilitating implementation of the long-delayed project will be taken away from the Karnataka State Industrial Infrastructure Development Corporation which is currently the nodal agency for the airport project and vested with the proposed authority. The authority's immediate task will be to complete the land acquisition process as well as to raise money if required for the project which will come up at Devanahalli.

DECCAN HERALD <<http://www.deccanherald.com/deccanherald/index.html>>

**Friday, February 9, 2001**  
**HC notice to KIADB, Infosys**  
DH News Service  
BANGALORE, Feb 8, 2001

A division bench of the Karnataka High Court ordered issuance of notices to the Karnataka Industrial Areas Development Board (KIADB) and other respondents including computer giant Infosys following a writ petition challenging the allotment of land to the Infosys near the state-owned Belagola Factory. The petitioners contended that the land granted included a road which they were using to proceed to the Belagola factory and other places. It was a public road, on account of the impugned grant there was a possibility of the public road getting obstructed/closed by the respondent which was injurious to public interest and therefore liable to be quashed. The division bench comprising Chief Justice P V Reddy and Justice K L Manjunath ordered issuance of notice to the respondents.

**The International Tech Park at Whitefield: Work on second phase of ITPL soon**  
By Mahesh Kulkarni & Rajesh Parishwad  
**DH News Service BANGALORE, June 22**

The International Tech Park (ITPL) will soon begin its second phase of construction following the memorandum of understanding (MoU) to be signed during Chief Minister S M Krishna's visit to Singapore next week. ITPL, the joint venture of Singapore consortium, Tata Industries and Karnataka Industrial Area Development Board (KIADB) located at Whitefield near here currently houses around 90 software companies, of which 55 are MNCs. "We have received an overwhelming response from various new clients as well as existing ones who have sought additional space after the first phase of ITPL was fully occupied and the State government also wants to sign the MoU during Krishna's visit to Singapore," said ITPL Chief Executive Officer William Seet.

Mr Seet, who is accompanying chief minister to Singapore in an exclusive interview to Deccan Herald said a formal application to this effect has been submitted to the State government today, following the announcement made by ITPL during the global investors meet held earlier this month. Giving details about the expansion plans, he said the project, estimated to cost about Rs 150 crore, will have 650,000 square feet space and built adjacent to the existing park, which has attained 100 per cent occupancy rate. The new building would be completed in about 15 months time from the date of foundation. The Singapore partner would firm up the exact plans for the second phase next week, he said. Explaining the reasons for the success of the first phase of ITPL, Mr Seet said "our product is very good and fully integrated along with own captive power plant, sewage plant and focussed on niche markets like IT, bio-tech and R&D. Besides, the market has picked up in the last six months." When asked about the competition from other southern states, who have put up similar IT parks and private builders, Mr Seet said "our product is reliable and different from others in terms of infrastructure and facilities. I don't think other parks can match us." Appreciating the State government's support for the project, he said "the present government is very supportive. Bangalore has a very good knowledge base built over the last four decades and contributed good talents, which will keep us in an advantageous position compared to other states, who are putting up similar tech parks." ITPL is developed by a joint venture company formed by Tata Industries, a Singapore Consortium led by JTC International, the international arm of Jurong Town Corporation and State government through Karnataka Industrial Area Development Board. While Tata and Singapore consortium hold 47 per cent stake each in the venture, KIADB holds 6 per cent.

**Decan Herald Sept.24. 2000**

**DECCAN  
Friday, June 23,  
Govt  
promulgates  
repealing BDA  
amendment  
By Anil K Sastry  
BANGALORE,  
(DHNS)**

The State today promulgated an repealing Section 38 the Bangalore Development Act which provides of lands acquired by original owners if the suitable for forming

Secretariat sources Herald that the has signed the today. The provision was the previous by amending the

However, it was not notified and given effect to. Section 38 (C) provided for regularisation and reconveyance of lands acquired by the BDA, if it finds that the land cannot be utilised for forming layouts. As per the amendment, regularisation was permissible in favour of the original owner, subsequent purchaser, or power of attorney holder. The chief minister had announced on the floor of the Legislative Assembly that the government would repeal the provision, as it would pave way for legalisation of illegal occupation of BDA acquired lands. The State Cabinet, which met here on June 14, had taken a decision to this effect, and decided to promulgate an ordinance as the house was not in session.

There were apprehensions that if the provision was given effect to, it would lead to indiscriminate

## BDA scheme to regularise illegal constructions

**BANGALORE, Sept 24 (DHNS)**

The Bangalore Development Authority (BDA) has sent a proposal to the Government for the regularisation of unauthorised constructions through reconveyance, on over 2500 acres of BDA notified areas.

Addressing reporters here today after a meeting between the BDA and Bangalore Mahanagara Palike (BMP) to thrash out the problem of issuing of 'khatas' to residents of HDA layouts in areas brought under the jurisdiction of the BMP, BDA Chairman L R Shivrame Gowda said most of the encroachments had occurred by way of General Power of Attorneys (GPAs) transfer of lands as a

result of which people did not have title deeds. Regularisation of the unauthorised construction through the reconveyance scheme will enable the collection of improvement charges and the issuance of 'khatas' to residents of these areas. Mr Gowda added that the Government is expected to sanction its approval for the same shortly.

The BDA chairman also announced that 53 BDA layouts will be handed over to the BMP while nine layouts will be handed over to various CMCs shortly. The modalities for the transfer are being worked out, he said and added that the Government has already approved the transfer.

**HERALD  
2000**

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**June 22**

government ordinance (C) (2) of

Authority for reconvey the BDA to land is not layouts.

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inserted by government BDA Act.

regularisation of illegal occupation of BDA acquired lands. After Mr Jaikar Jerome took charge of the BDA as its commissioner, he had launched a drive against illegal occupants of BDA acquired lands. The government also supported the move of the BDA in re-acquiring the lands already acquired by it.

The authority was of the opinion that if the amended provision was given effect to, even illegal occupation of civic amenity sites, parks, play grounds etc, would be regularised. The BDA had also argued that while thousands of people are waiting for their turn for allotment of house sites, illegal occupants should not be allowed to stay on BDA lands at the cost of legal aspirants.

The BDA has claimed that by demolishing illegal structures on lands acquired by the BDA, the authority has re-acquired lands worth crores of rupees. The authority's move in demolishing illegal structures had raised a storm in City and several Opposition parties strongly protested the move. The affected parties had urged the government to prevail upon the BDA to desist from its move and provide compensation to them.

DECCAN HERALD Friday, September 1, 2000

### **Two new projects for slum dwellers in B'lore**

BANGALORE, AUG 31 (DHNS)

It was a day of victory and celebration for the slum dwellers of Bangalore as Jockin Arputham, the champion of slum dwellers welfare in Mumbai, received the Ramon Magsaysay award at Manila, Philippines today.

To commemorate the event the Bangalore District Slum Dwellers Federation initiated two new projects in the City. At Lakshman Rau Nagar Park slum area in Okalipuram 12 new houses will be constructed and at Flower Garden slum area behind Binny Mills five new houses will be constructed. The name Flower Garden may be a misnomer today with stench emanating from this neglected area, but there was a time when flowers were actually grown and the scent of jasmine and other flowers wafted through the air. A model house has a total area of 25 ft x 15 feet comprising of a hall, a bedroom, a kitchen and a pooja room built at a cost of Rs 60,000. The guddalli pooja for both these projects was performed today. Meanwhile at the YMCA hall on Nrupatunga road slum dwellers gathered together to celebrate the occasion of the presentation of award to Mr Jockin Arputham for his untiring service to the slum dwellers. Mr T K Dasan Leon, Project Manager, Bangalore District Slum Dwellers Federation, told Deccan Herald that two more projects for building houses are coming up. At Chunnedagud near Yeshwantapur 157 houses are being built and at D K Naikar Nagar in Jayanagar another 40 houses will be built. He said 25 per cent of the cost of these houses to be built with Hudco assistance at a cost of Rs one lakh will be borne by the beneficiary.

He said in New Bayappanahalli extension behind Isolation Hospital a project for the construction of 12 public toilets and a caretaker room is coming up at a cost of Rs 5.5 lakh funded by the Karnataka Slum Clearance Board. The project is being constructed on behalf of the Indira Harijana Seva Sangha, he said in that very connection. Meanwhile at Anandapuram 18 toilets exclusively for children were constructed over a year ago built at a cost of Rs 40,000 with 50 per cent assistance from the Slum Clearance Board.

DECCAN HERALD Friday, July 21, 2000

### **BMP announces list of footpath hawkers**

BANGALORE, July 20 (DHNS)

The Bangalore Mahanagara Palike (BMP) has announced the list of footpath hawkers for whom space has been allotted in the Gandhinagar hawking zone on the footpath from Kempe Gowda bus-stand to the Ayurvedic Hospital on Dhanvantri Road and in front of Gubbi Totadappa Charities Hostel. The allottees were selected through a lottery system on July 19 and the list has been put up at the office of the Gandhinagar Assistant Revenue Office (ARO), states a press release. The allottees will be informed individually through post and such allottees have been requested to contact the ARO concerned. Allottees will have to pay a sum of Rs 1,800 as the first instalment to procure hawking licences before 5 pm on July 25. Those whose names have been announced in the list, but have not received an intimation so far, may contact the ARO immediately, the release states. Licences for hawking will be issued within five days of payment of the instalment money, the release adds.

DECCAN HERALD Saturday, March 24, 2001

### **Legislator files petition against GO BANGALORE, Mar 23 (DHNS)**

Mysore legislator A Ramdas has filed a writ petition in the Karnataka High Court challenging the Government Order (GO) fixing guidelines for the rotation of wards and the reservation of wards in the city corporations. The petition also challenges Section 7(3) of the Karnataka Municipal Corporations Act which reserves one-third of seats in a local body for Backward Classes. The writ petition that came up for admission before a division bench comprising of Justice G C Bharuka and Justice Sreedhar Rao today has been adjourned to Monday. The court is yet to decide whether the petition should be admitted. The petition has been filed by Mr Ramdas, who is joined by 19 others, including 13 councillors from Bangalore city.

The guidelines which have been challenged had been framed by the State government pursuant to the High Court's directions given in January this year on a public interest writ petition filed by Mr Ramdas and others. The same division bench, while hearing the earlier petition had directed the State to complete the election process for all local bodies in the State by May 5. Friday's petition which challenges the guidelines that were gazetted on March 1, 2001 argues that the guidelines are vague and allows the government to reserve and delimit wards according to the government's whims and fancies. The guidelines also favour the ruling party, the petitioner alleged. The petition also questioned the guidelines on the ground that the government never invited objections from the public as required by the law. According to the petition, the law stipulates that rules have to be framed before the guidelines were passed and in the absences of these rules, guidelines cannot be a sufficient substitute. Section 7(3) has been attacked as unconstitutional on the ground that it goes against rulings of the Supreme Court and Article 243T(6) of the Constitution.

Article 243T(6) gives the State Legislature power to reserve seats in the municipal corporations for backward class. The petition argues that the State, while exercising this power, ought to take the census figures or conduct a survey before fixing a figure of reservations for backward classes. According to the petitioners, the reservation of one-third of the seats does not reveal on what basis the State has come out with this figure and may not be in proportion to the population of the backward classes as required under Article 243T.

### **DECCAN HERALD Thursday, January 4, 2001 Govt can change reservation of wards: EC**

BANGALORE, Jan 3 (DHNS)

The State Election Commission has clarified that the government is vested with the authority of making changes in the reservation of wards even after notifying the wards. In a statement here, the Commission said the government has the authority to reserve the wards as per the Karnataka Municipal Act 1964 and Karnataka Municipal Corporation Act 1976. The Commission has no authority to prevent the government making changes in the notifications. However, the Commission has written to the government not to make frequent changes as it will create confusion about the selection of constituencies by the prospective candidates. The government in its letter dated December 30, 2000 has written to the Commission that it will not make any more changes, the note said.

### **Reservation of wards in urban civic bodies: Congress refutes Shettar's charges DH News Service BANGALORE, Jan 3**

The ruling Congress, which has been accused of reserving wards in urban civic bodies for its political advantage, today defended its action and said that the norms which were adopted during the 1995 elections have been followed for the current elections also.

In a rejoinder to the allegations made by the BJP leader Jagadish Shettar that injustice has been caused to SCs/STs by not following 18 per cent reservation in many wards, Urban Development Minister B B Chimmankatti today said the reservations that were followed during the previous elections have been adopted without any modification. For the previous elections, the wards were reserved as per the census held in 1991, he pointed out. Shettar had alleged yesterday that the Congress government in the State had reorganised the reservation of wards in Town Municipalities and Municipal Corporations for their advantage even after notifying the elections. In a press statement, Mr Shettar pointed out that though the election notification was issued on December 23 for 147 local bodies in the State, including 4 municipal corporations, 31 CMCs, 76 TMCs and 36 Town Panchayats, the ward-wise reservation was altered four times. The reorganisation of ward-wise reservation was in contravention of the Election notification as well as the Karnataka Municipal Corporations Act.

The reorganisation of ward-wise reservation had been done to suit the advantages of Congress, he



alleged. Mr Shettar noted that while the original ward-wise reservation had set aside a quota of 269 seats for SC/ST candidates, as many as 68 seats had now been reduced from it. The alterations effected in the reservation list was unscientific and would affect the election pattern in the State, he added. After the ward-wise reservation pattern was altered for the first time on December 22, the State Election Commission had instructed the State government on December 26 not to further alter the ward-wise reservation. However, the reservation pattern was changed on three occasions - December 27, 29 and 30. Addressing a press conference, the minister said today that seats for SCs/STs have been reserved in ratio to their population to the total population in a ward. This was followed as per the Section 11 and 7 of the Municipal Corporation Act, he empathically said.

### **Corporators oppose move for scrutiny by MLAs**

DH News Service  
BANGALORE, Oct 31

Corporators of the Bangalore Mahanagara Palike (BMP) today opposed the State Governments announcement on Monday, to set up a committee of MLAs to monitor development works undertaken by the BMP. At the BMP Council meeting here today, corporators, including Padmavathi G and Padmanabh Reddy (JD-U), J Hucchappa (JD-S), Veda Vyas Bhat (BJP) and several others vehemently opposed the Governments announcement to set up a committee of MLAs, who, the corporators said, never worry about the City and its problems. How can they allege that BMPs works are not of good quality? Let the MLAs work like us, then they will get an idea of the City. The Government collects over Rs 3,600 crore as taxes from the City. But for garbage, roads, etc., the BMP is criticised. Let the Government give us at least one per cent of the taxes collected and see how much we can improve the City,said Mr Bhat.

Why should MLAs interfere in the BMP when they dont participate in its functioning and liaison between the Government and the corporators? Call the chief minister to the BMP for an interaction with corporators and give us a chance to air our grievances,said Mr Padmanabh Reddy.

Mayor M Ramachandrappa clarified that the MLAs have asked the Government to give them grants similar to the grants given to MPs, so that they could help the BMP take up development works.

### **CM lambasts BMP again**

DH News Service  
BANGALORE, March 15

Chief Minister S M Krishna today came down heavily on the style of functioning of the Bangalore Mahanagara Palike officials and said that they were according primacy to rules rather than protecting the interests of people. Inaugurating the 'Infosys Dharmashala', a project of Infosys Foundation, Bangalore at the premises of Kidwai Memorial Institute of Oncology (KMIO) here, Mr Krishna expressed anger over the attitude of BMP officials, who made "people to run from pillar to post" to get their work done. He said that the BMP Urban Planning Department never bothered to dispose the applications seeking sanction for house constructions within the stipulated deadline. "They neither give licences nor reject the applications. The files will not move until the applicants grease the palms of the officials", he remarked. This trend will have to change, he added. Mr Krishna, who holds the Bangalore City development portfolio, again took a dig at one of the previous BMP commissioners and said that the official had to be shunted out from the BMP as he failed to improve the working of BMP. "The government considered it appropriate to shift the official to another department," he said.

### **CM urged to ensure proper functioning of BMP**

DH News Service  
BANGALORE, March 15

The Civic Bangalore has expressed concern over the recent happenings in the Bangalore Mahanagara Palike (BMP) and appealed to the chief minister to ensure its smooth functioning in order to facilitate the development of City. In a letter addressed to the chief minister, the non-governmental organisation has stated that the frequent change in commissioners of the BMP in the recent times would affect the image of the City. "This does not augur well for the growth and development of the City. The sufferers are all of Bangalore's citizens. We suffer not only as a result of each such crisis but also as a precedent gets established to the detriment of good governance," it stated. It has also appealed to the chief minister not to succumb to the corporators' lobby. It has also demanded that necessary steps be taken to resolve the crisis that arose between the previous commissioner and and the BMP Standing Committee in a speedy, fair and transparent manner.

### **CM snubs politicians for opposing BATF**

## **DH News Service BANGALORE, Feb 24**

Chief Minister S M Krishna today snubbed the City's elected representatives including Corporators who are opposing the Bangalore Agenda Task Force (BATF) saying that they would realise the purpose behind establishing BATF when the City's infrastructure improves gradually. Addressing the second summit of BATF stakeholders here, the chief minister pointed out that it was too early to expect results from it. "We have reiterated time and again that BATF's aim is to coordinate the overall development of the City through sustained efforts over a period of time. He cited the door-to-door collection of garbage, involving citizens in various programmes and the modern accounting system in the BMP as a few examples of BATF's successes. Apparently, the chief minister vented his ire against the elected representatives, after former mayor J Hucchappa accused the BATF of neglecting the politicians, at the inauguration of the summit today. Mr Krishna said just because BATF does not have any elected representative as member, it does not mean that it is not working in the interests of the City. "Important personalities like Infosys Chief Operating Officer Nandan Nilekani and Kiran Shaw Mazumdar of Biocon have taken up the responsibility of guiding the stakeholders in spite of having several other pressing professional obligations. Whoever may oppose the BATF, the government is fully committed and supports the BATF," Mr Krishna declared. Whatever the results achieved by the BATF, the credit would go to the BMP and its elected representatives. "Bangalore is the global gateway to Karnataka. And we will not reward BATF members with Rajya Puraskar because of their contributions towards this. The BMP and its elected representatives should support, and cooperate with the BATF," he said.

He criticised the BMP for failing to rise to the occasion. "One should learn to operate within limits. The BMP prepares budgets which overshoot its revenue and approaches the government for funds. The government does not have adequate funds and If the BMP comes to the government for funds, then it has to find it from somewhere else. The government is ready to grant concessions to the BMP, but the onus of mobilising resources to take up development projects for the City is on the BMP.

### **Many borewells contaminated**

**By Sunil Kumar M**

**DH News Service BANGALORE, March 21**

The consideration that ground water is safe and least prone to pollution is turning out to be false. A study reveals that water in many borewells is unfit for drinking and does not meet minimum quality requirements of the Bureau of Indian Standards (BIS). In Kasaba hobli of Anekal taluk a dark brown viscous liquid akin to iron ore slurry gushes out of a borewell. About half of borewells in Bangalore Urban district are contaminated with bacteria that can cause gastroenteritis, according to a study carried out under the Rajiv Gandhi National Drinking Water Mission and the World Bank-aided project through the state Rural Development Engineering Department (RDED).

The aim of the study was to identify sources of safe drinking water in Bangalore Urban South and North taluks (outside the



corporation limits) and Anekal taluk. Water from miniwater schemes also was found to be contaminated. The study was conducted by Dr R K Somashekar, Chariman, Department of Environmental Science, Bangalore University and researchers Ms Kanchan Garg, Mr R Anand, Mr M N Sridhar Babu, Mr K Raghavendra and Mr K L Prakash. Water samples from 3,915 borewells (including mini drinking water schemes) of the total 4,300 borewells in the three taluks were analysed for 14 parameters such as levels of fluoride, iron, PH, ecoli contamination, hardness, nitrates, sulphates and colour. In all the three taluks there was faecal contamination of water, the highest being in Bangalore South where 527 borewells showed high presence of ecoli. Some had counts as high as 364 organisms per 100 ml of water. According to BIS standards drinking water should not have any ecoli bacteria.

The situation has the potential to cause an epidemic breakout, says Dr Somashekar, but fortunately some of these borewells are not in use, he adds. The reasons for such high contamination include soak pits close to borewells, open drains and

unkept mini water supply tanks. Excessive fluoride was found in 486 borewells, with as much as 8.2 mg/l detected in Hesarghatta region when the permissible level is only 1.5mg/l. At these levels, fluorosis, a disease which causes mottling of teeth and bones is imminent, says one of the researchers. A total of 25-30 per cent of the borewells under study cannot be recommended for drinking purposes. They do not even meet the emergency standards set by BIS. Another 30-35 per cent of the wells are close to being contaminated. The report says that the ground water conditions in Bangalore Urban are deteriorating and there is an urgent need to implement remedial measures. Even though the report does not suggest as to how the pollution could be prevented, it mentions various treatment procedures in order to use the water for drinking and other purposes. Water in about 40 per cent of the borewells in the district contains excessive iron making it unfit even for washing because they can stain clothes. Researchers point out that iron from worn-out casings of the pipes due to lack of maintenance and disuse has led to such a sorry state. Before any remedial measures can be taken, a similar study has to be undertaken in the post-monsoon period and only after the subcommittee under the CM discusses these findings and recommends remedial measures, can action be taken, says Mr Mohammed Khaleem Agha, Technical Assistant to Chief Engineer, RDED. Until this happens the people of these areas will have to be content with an iron and ecoli rich water. Today is World Water Day. The theme for World Water Day 2001 is "Water and Health". The prime objective is to impact opinion on how to improve the current condition.

### **Fresh gastroenteritis cases in Bangalore**

DH News Service  
BANGALORE, Feb 26

Sixty-five fresh cases of gastroenteritis were reported at the Isolation Hospital on Old Madras Road on the outskirts of the City today following the outbreak of the disease three days ago. The total number of people, including children, admitted to the hospital since Friday, when the disease broke out, is 82. As many as 116 have been treated as out-patients at the hospital. Gastroenteritis broke out in and around Ulsoor, Jogupalya, Murphy Layout, Munivenkatappa Garden, Saraswathipura, Kadirenahally, Lakshmi pura and Binnamangala due to contamination of drinking water. "Compared to the previous three days, there has been a rise in the number of patients coming to the hospital today. While 45 persons were treated in the outpatient department, 20 were admitted to the hospital. There have been no casualties. While a few patients are recovering, many others have been discharged," hospital Superintendent Dr Prabhakar Gupta told Deccan Herald. "Those who are highly dehydrated have been admitted to the hospital while others are being treated in the outpatient department. There is adequate supply of medicines and electrolyte," Dr Gupta added. Meanwhile, the Bangalore District Urban Health Department has deputed a team of paramedical staff to assist the outpatient department of the Isolation Hospital following the increase in the number of gastroenteritis cases. The hospital authorities point out that the outbreak of gastroenteritis is purely because of contamination of drinking water.

### **25 more gastro cases, BWSSB pipelines flushed**

DH News Service  
BANGALORE, Feb 28

The number of gastroenteritis cases, which had come down on Tuesday, shot up today with 25 cases being reported at the Isolation Hospital on Old Madras Road on the outskirts of the City. Of the 25 cases, 18 patients were admitted to the hospital while the remaining were treated at the Outpatient Department.

According to Isolation Hospital authorities, out of the 18 patients admitted to the hospital, seven were children. Now, the total number of patients suffering from gastroenteritis and admitted to the hospital crossed 100. However, more than 50 had been discharged from the hospital after undergoing treatment, they said. Meanwhile, the Bangalore Water Supply and Sewerage Board (BWSSB) flushed all the water supply distribution pipelines with bleaching solution in Indiranagar II Stage, Dhoopana halli and Motarayanapalya from where maximum number of gastroenteritis cases were reported. According to an official press release from the BMP, ten more water samples were collected from the areas like Ulsoor, Jogupalya, M V Garden and Old Madras Road. The bacteriological results for the eight samples collected on February 26 showed nil result. Action would be also be taken to collect samples from borewells of these areas. Continued vigil on the quality of water and chlorine residue level had been kept up, the release added.

**Corporators complain of water shortage in many parts of City Mayor directs BMP officials to take steps soon**

DH News Service  
BANGALORE, Feb28

Mayor Prema Cariappa today instructed the officials of the Bangalore Mahanagara Palike (BMP) to take immediate measures for supply of drinking water to all parts of the City in view of the water shortage problem likely to be experienced during the current summer. Responding to complaints from corporators about water-shortage, at the BMP Council meeting here, the mayor instructed Commissioner Shantanu Consul to conduct a survey of the areas experiencing water problem in the City. She told the meeting that once the survey is complete, borewells will be drilled and mini water supply schemes will be implemented in all the old, fully developed and partially developed wards experiencing water problem. Earlier, corporators, cutting across party-lines, demanded that the BMP should immediately take measures to supply water as many areas were already experiencing severe water-shortage. Mahadevamma (JD-S), who raised the issue, said that many water supply schemes were pending in her ward Kamalanagar. B V Ganesh (BJP), G Padmavathi (JD-U), Muniraju (JD-U), Satyanarayana (BJP) and Shahtaj Khanum said that files pertaining to water supply schemes were not cleared fast by the BMP. They alleged that the Bangalore Water Supply and Sewerage Board (BWSSB) too showed laxity in completing the water supply schemes entrusted to them by the BMP.

Former mayor KHN Simha pointed out that he was being "gheraoed" regularly by residents of his ward for water-shortage. Padmanabha Reddy (JD-U) demanded that a time-bound programme be announced to complete water supply schemes. Leader of Ruling Congress P R Ramesh suggested that a separate funds be set up in the next budget for water supply schemes.

In his reply, Commissioner Shantanu Consul said that payment of Rs 2.5 crore had already been made to the BWSSB for water supply schemes. "The BWSSB has completed all the schemes, but has sought an additional sum of Rs 50 lakh for other schemes. If there are any pending works, I will take up the matter immediately with the BWSSB chairman," he added. He further told the house that all water supply schemes under wardwise programme of works would be completed on a priority basis. He said that a meeting be would be convened with the BWSSB officials next week to discuss the issue.

### **Gastroenteritis show no signs of decline**

**DH News Service  
BANGALORE, March 1 2001**

Even as the Bangalore Mahanagara Palike (BMP), Bangalore Water Supply and Sewerage Board (BWSSB) and the Health Department are claiming to have taken steps to contain gastroenteritis, patients suffering from the disease are continuing to pour in at the Isolation Hospital in the City. Today, 15 more persons suffering from gastroenteritis turned up at the hospital. It was on last Thursday that the disease broke out affecting many people due to contamination of drinking water. So far, the total number of patients admitted to the Isolation Hospital is nearing 150 and about 100 have been discharged after successful treatment. More than 200 persons have been treated as outpatients. As many as 51 children too were admitted to the hospital. Meanwhile, the hospital authorities maintained that the number of gastroenteritis cases, which had gone up on Wednesday, was on a downslide today. The BWSSB continued to flush the BWSSB pipelines in areas of Ulsoor, Jogupalya and M V Garden from where gastroenteritis was reported.

#### **Annex 4 Methods**

We feel it might be useful for the reader to know about the methodology evolved in this research project. Given our conceptualisation of poverty and governance, we felt it important to document the finer grain of cities. Here, we were inspired by the writings of Jane Jacobs, Lisa Peattie, and Steadman Jones to look at how cities function, the way poor groups strategize to find a place and shape this city's economic and political life, and their political relationships to higher income groups. Unfortunately, very little has been written up on some of the ordinary day to day processes that poor groups are involved in, how groups relate to each other, how institutions actually function. All these form the complex processes that underlie 'real life' and the lack of written documentation is striking. Thus, we decided to use a case study mainly ethnographical approach. The case study approach, while of limited comparability in the conventional sense, is useful however to reveal systemic aspects. By systemic aspects we imply processes that represent the interface of interests and situations in a dynamic way.

Our descriptions posed at the grass-roots attempted to focus on pro-poor processes at two inter-related levels. The first is on mechanisms -- forms of community financing, of economies, of land development. The second level, closely related to the first, is the political underpinning of these processes: Which forms of institutional and political arrangements are most likely to provide poor groups with a 'voice,' to shift things in their favour. In exploring these political issues, we felt that a case method aimed at revealing systemic aspects helps to raise other conceptual issues. For instance, investigating the impacts of interventions driven by conventional conceptual frameworks, helped to reveal how some type of terminology in the 'development language' while seemingly 'neutral' and thus of 'comparative value', are actually shaped by ideological perspectives. Our methodological framework (based on conceptual framework) outlined above centred on a trilogy of Local Land settings, Local Politics, and Local Economy -- in the way these interface institutional settings.

Much of our approach was inductive and investigative in nature. An exact strategy and issues to be investigated often emerged from discussion and reviews within our research team. The multi-disciplinary nature of our team played a critical role in this process: A mix of the two principal investigators (being the most academic of the group), and the rest being activist and closely involved in organising local groups. Our internal organisation was relatively flat. This was because each of us came to the poverty question from quite different perspectives and personal experiences.

Much of our approach was also influenced by the larger research process. Being two staged, the end of the first stage discussions in Birmingham made it clear that there was limited value in collecting 'comparable' statistics. Instead, the larger research group decided to simplify the main research question into one basic one. This decision allowed us as the principal researchers for the Bangalore case to form a team with an investigative frame of mind rather than to bureaucratically collect statistics. It also allowed us to evolve a research procedure inspired by a similar investigation into local economy clusters where one of the authors was a member<sup>191</sup> and a film by Akira Kurasawa 'High and Low' that showed an interesting method of investigation.

We relied heavily on interviews. Initially, we did use some PRA techniques, but soon realised that these proved to be of limited use in investigating complex political issues: Any group formation attracted too much attention and generated its own local dynamics. Thus, a group meeting was only used in the beginning in entering any settlement to serve as an introduction. After this, our research team operated on a one to one basis using careful interviewing. This was necessary due to highly politicised terrain we were operating in.

The principal investigators did initially in a classroom setting list out interview schedules and points for discussion purpose. Here, these were sifted and reduced to basic issues via intensive discussion so that the team members internalise the points being investigated. Since each member brought with them their own direct professional and activist experience the onus was on the principal researchers to explain the more academic concepts in more direct terms. This by default helped to review the concepts themselves -- revealing that many had ideological underpinnings. The aim was to make sure that no piece of paper unnecessarily distracted the respondent. Previous experience in economic investigation had reinforced this point to ensure that there are the minimal external distractions. Similarly, a tape recorder was used only one time -- with disastrous consequences. Thus the emphasis was a minimalist approach to establish contact and gain confidence -- no questionnaire or interview schedules, no electronic equipment, a simple not pad and pen which is used openly in front of the respondent.

All this however meant that our research team be small but tightly knit. A critically important aspect was the organisation and scheduling of field work. This moved at a breakneck speed which helped to

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<sup>191</sup> This was for research projects investigating the structure of local economies in the textile industry for the Swiss Development Co-operation by DELPHI a research organisation in Bangalore.

generate a creative analytical process. Roughly, two days were devoted to the field followed by two days of write-up and discussion in a class setting. These class review sessions also decided on the next immediate steps of investigation based on the findings and also issues left to be covered. This routine was rigorously followed up to ensure that notes were updated and not backlogged, as well as field details were recorded separately into main case books. The main casebooks were never taken to the field to ensure that the researchers were not burdened with material.

The first stage of this research helped identify four locations we felt characterised settings of different types of processes. In this second stage, we added an additional one. Our attention to each of these was un-even -- driven by the nature of issues that we sought to investigate and also the practicalities of time and budget. Although this approach runs the risk of the research remaining as a 'collage' we feel that this approach helps to unpack the relationship between 'poverty' and 'governance' at a systemic level. Within these broader framework we sought to identify particular processes (how do poor groups establish political claims, how do people evolve into political agents) or groups involved -- SCs/ STc (lower castes and specific tribes), migrants from other states versus those from Karnataka, ethnic and religious groupings.

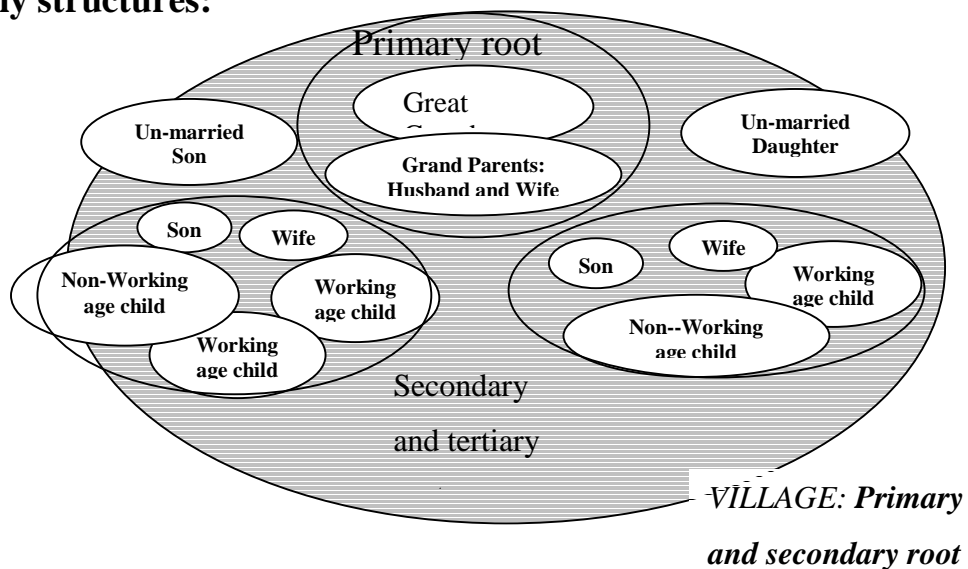
Our research has also generated lots of leads that can be taken up by more specific research. For instance: The implications of urban remittances on relationships between the land less and land owning castes / classes in villages in Tamil Nadu and Karnataka; The form of political representation of 'out of state' ethnic groups; The differences between terms of trade between Chit funds in peripheral and centre city trade areas; Governance circuits of corporate groups versus local economy agents; A closer and micro-look look at the lower level bureaucracy and their links with local political agents and also with trading circuits. Finally, the importance of looking at the rich in metro cities and how they influence policy. Thus, there is an exciting and important area for future investigation.

Apart from field investigations, the principal investigators also thought it useful to draw in their specific experiences of poverty alleviation programs. In the first stage report, we attempted to critique the official programs not from an accounting perspective or as a project evaluation but to highlight conceptual problems. We felt that was useful to view those approaches in relationship to the larger socio-economic and political situation of poor groups and the processes were already involved in. In this report we decided to take this approach further. The intensity of investigation implied that we could focus on only one program. Here we found the Bangalore Urban Poverty Program (BUPP) of

particular value for several reasons. First, touted as a new model of poverty alleviation aiming to converge NGOs and Government efforts, it had all the ingredients of what are seen to constitute an innovative approach (some would argue, all the catch words!). Second, while there was enough material to go by due to the enormous evaluation reports and official documentation, the two authors of the report had the opportunity of directly relating to the program during their past professional career. One, as a researcher for the EU, investigating poverty approaches in different urban programs in India, and the second, as a staff member working within the program. This background provided a valuable opportunity to re-visit the program and attempt to understand what happened and frame this in terms of conceptual issues. Thus, our analysis tends to move up from the specific programmatic details to focus on the link between conceptual underpinnings behind the elements constituting the project and a detailed look at the political and socio-economic consequences.

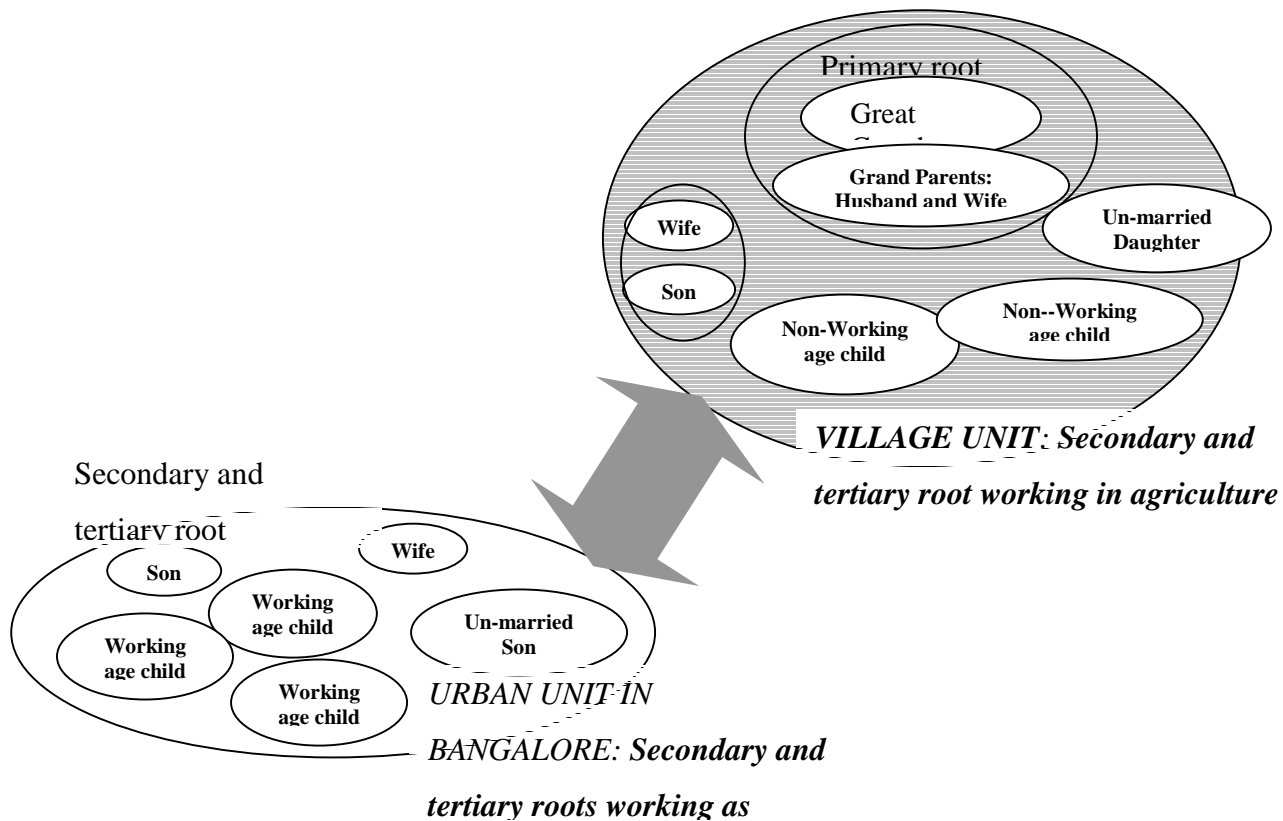


**Section 3, Figure 1: Pre and post  
Joint family structures:**



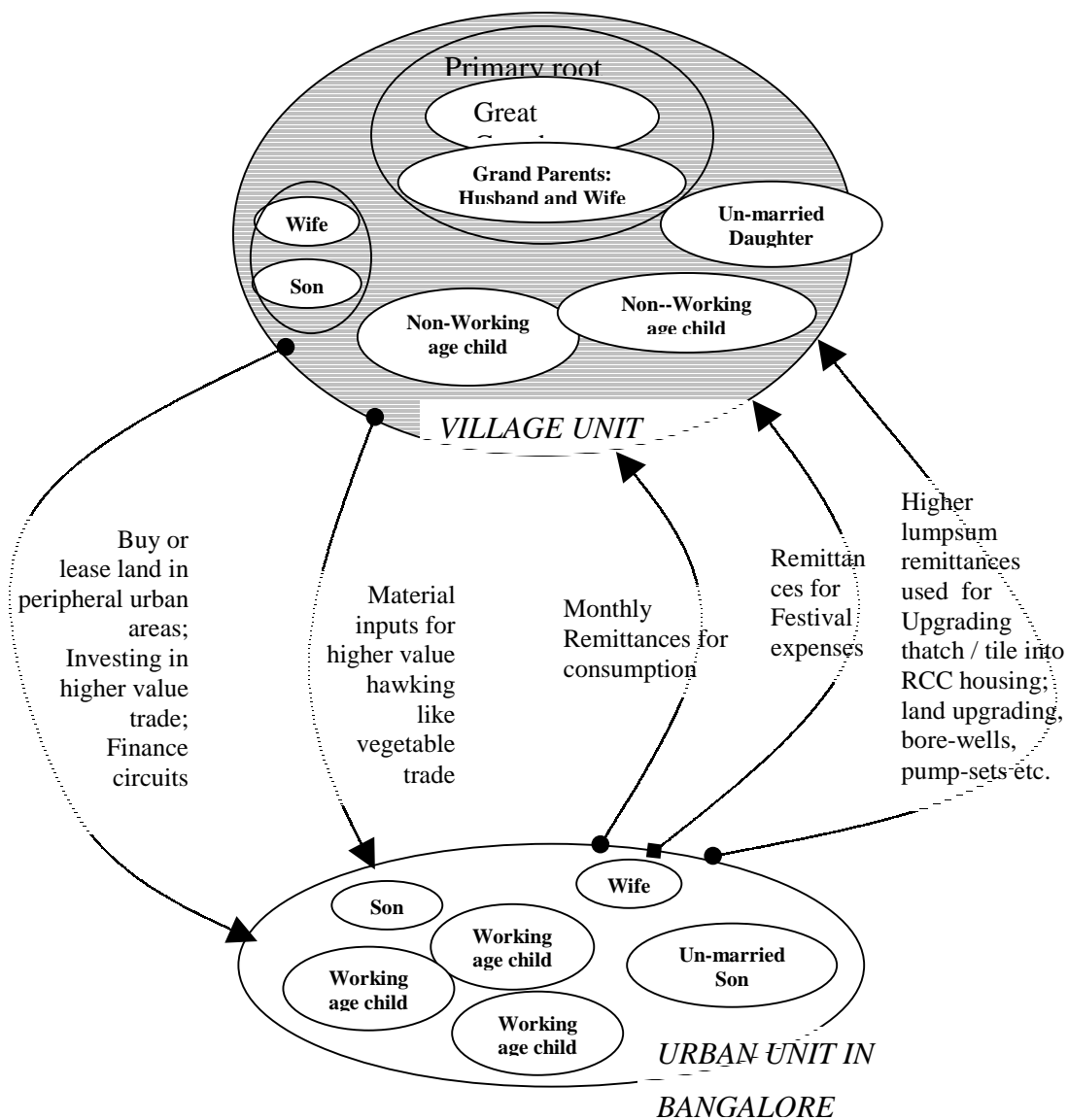
*Pre-migration*

*Post-migration*

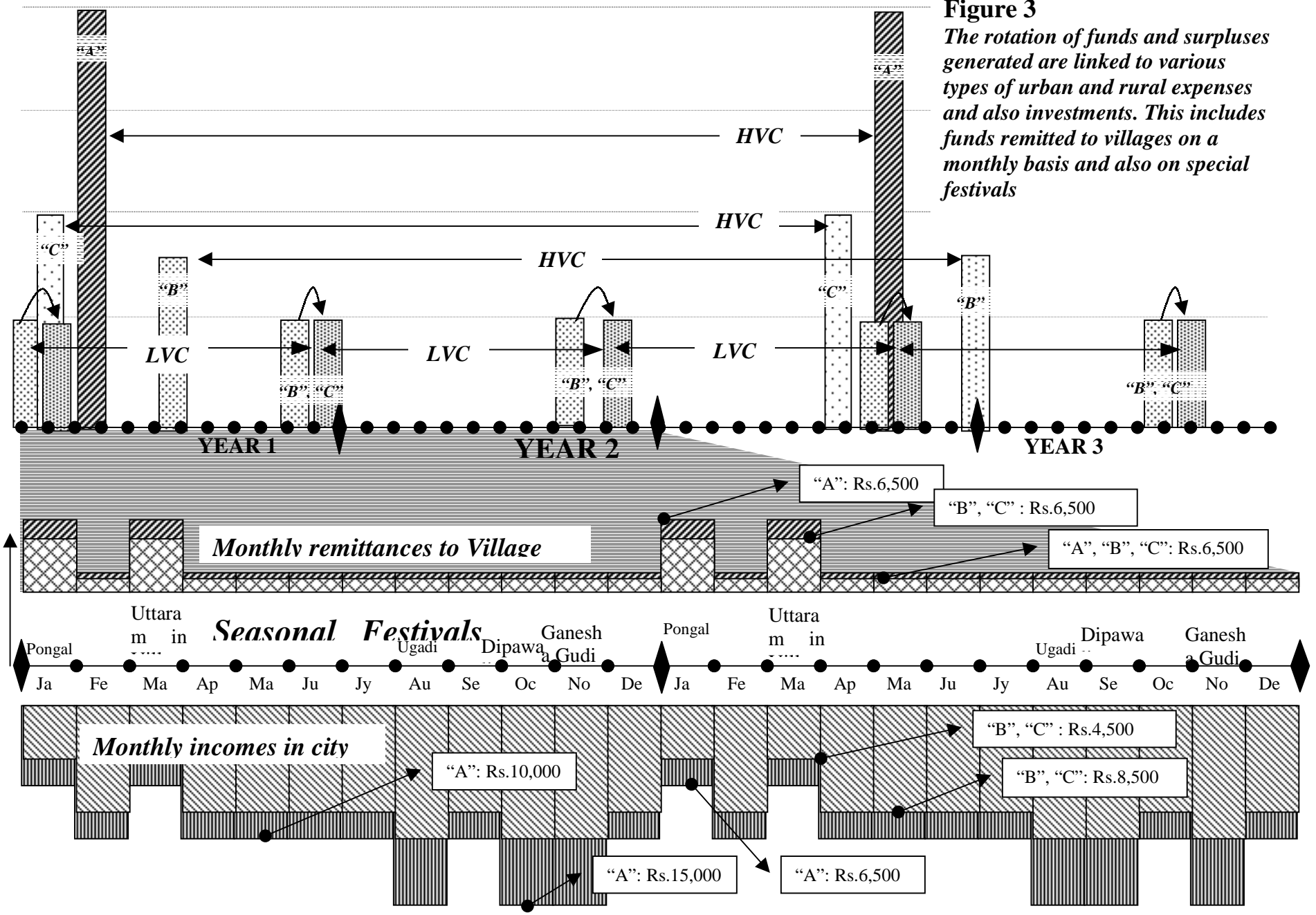


**Figure 2: Remittance and Investment flows**

**Post-**



**Figure 3**  
*The rotation of funds and surpluses generated are linked to various types of urban and rural expenses and also investments. This includes funds remitted to villages on a monthly basis and also on special festivals*



**Rural Remittances of high value Chits**

In general, lumpsum Chit amount to upgrade houses into RCC houses, expensive equipment like pump-sets, borewells, buy and upgrade land. This also helps entry into high value agriculture like growing vegetables catering to an urban market

“A” and “B”, from relatively better off families (share – croppers) use this to buy wetland. This can be then given on a three year share-cropping lease. The share-cropping arrangement provides food to the “core” unit of the “root” family. After three years, the returned lease amount provides a lump-sum amount which can either be used to buy more, or better quality land, or invested in Urban areas. “C”, usually from land less families, use the lumpsum amount to buy dry land and help their core family unit to get into a share-cropping arrangement as a strategy of economic stability.

**Rural Remittances at the festival time.**

When making their customary visits to the village during festival, in this case *Ugadi* and *Uttaram*, “A”, “B”, “C” take back with them some money but mostly consumption items like utensils and clothes. The rest of the money is spent on the religious ceremony and also in the village fare held during this period. There is not much difference between what B, C spend.

**Monthly Rural Remittances at the festival time.** “A”, “B”, and “C” remit between Rs. 1000 to Rs.1500 to the core family. This is for their living expenses. This money can be sent on a weekly or every fortnight.

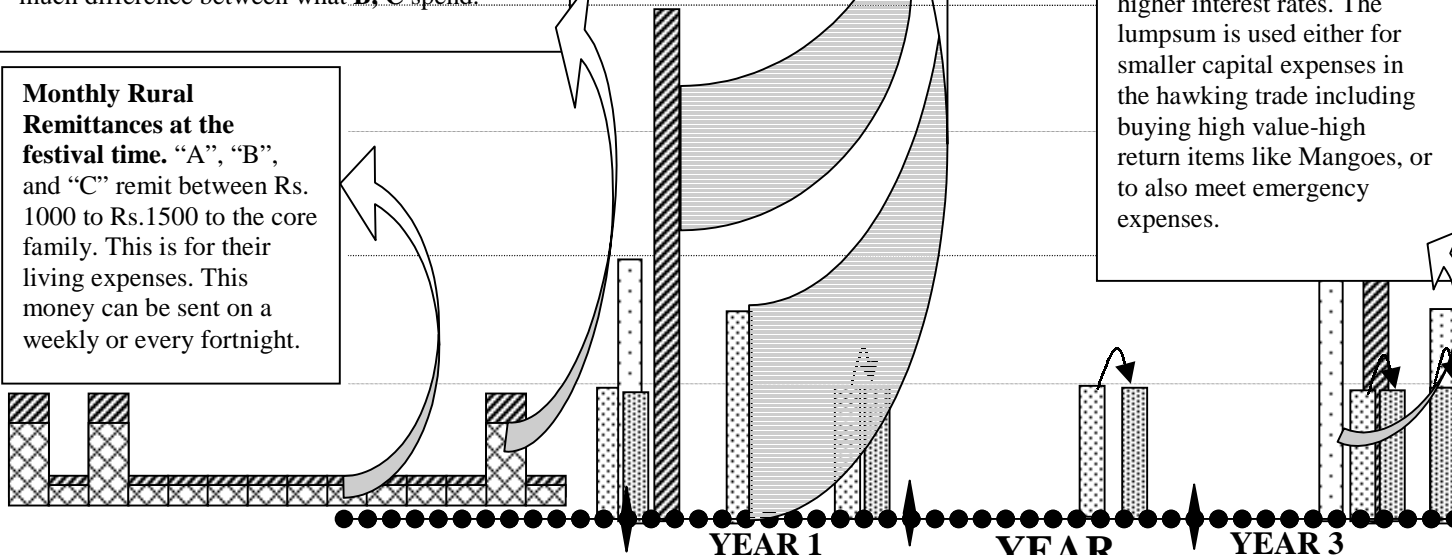
**Investment of Rural lumpsum Surpluses in Urban Areas:**  
“A” and “B” can invest their rural surpluses in

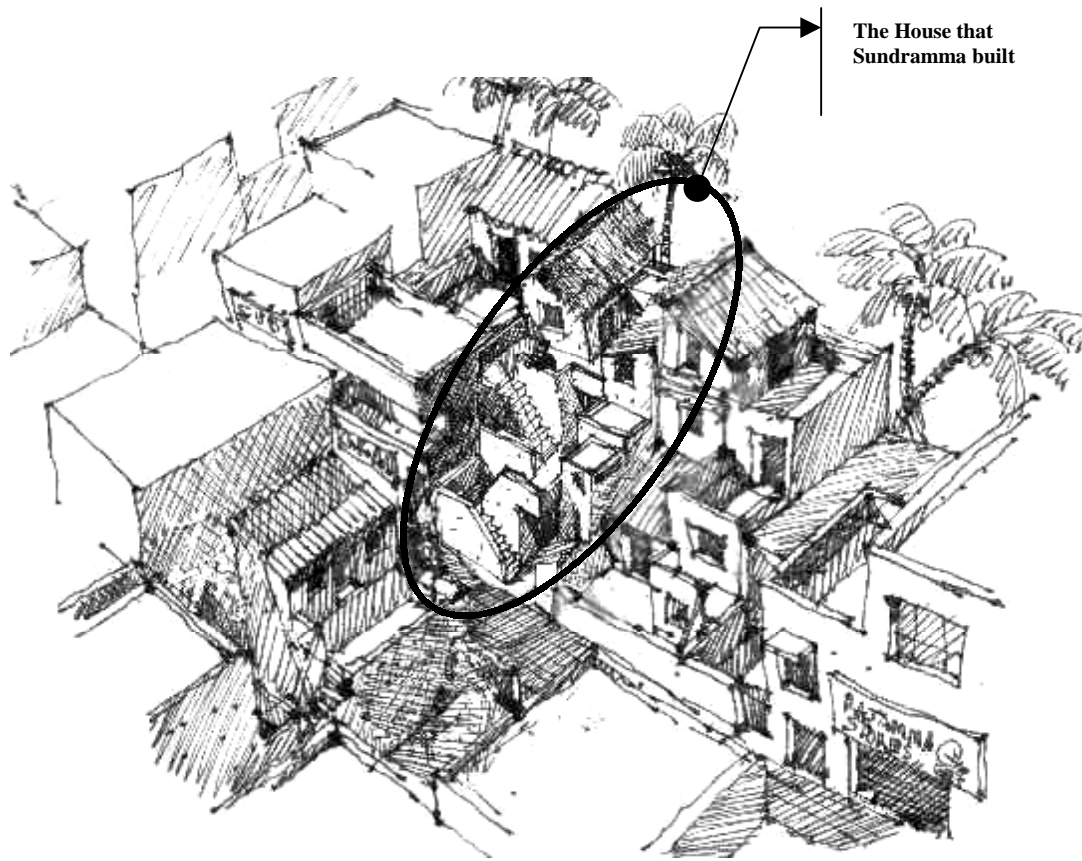
**Figure 4: Overall view of Urban – Rural – Urban Remittances and Investments**

in a peripheral area, on a 2.5 or 3 year lease them the monthly rent which is used to rotate in more chits of finance; to enter a higher value trade like commission agent; To provide finance include becoming an agent of chits

tion also opens up possibilities of vegetable retail. Core units in the village send a weekly supply of vegetables via public transportation to the city’s main market. These are sent as bundles of vegetables on the roof of the bus or mounted to the drivers seat. A group of Core Families do this to ensure a steady supply and share the profits (about Rs.400-500/Week).

**Low value chits** used by “B” and “C” are normally used to pay back the capital amount borrowed by private financiers to avoid paying the higher interest rates. The lumpsum is used either for smaller capital expenses in the hawking trade including buying high value-high return items like Mangoes, or to also meet emergency expenses.

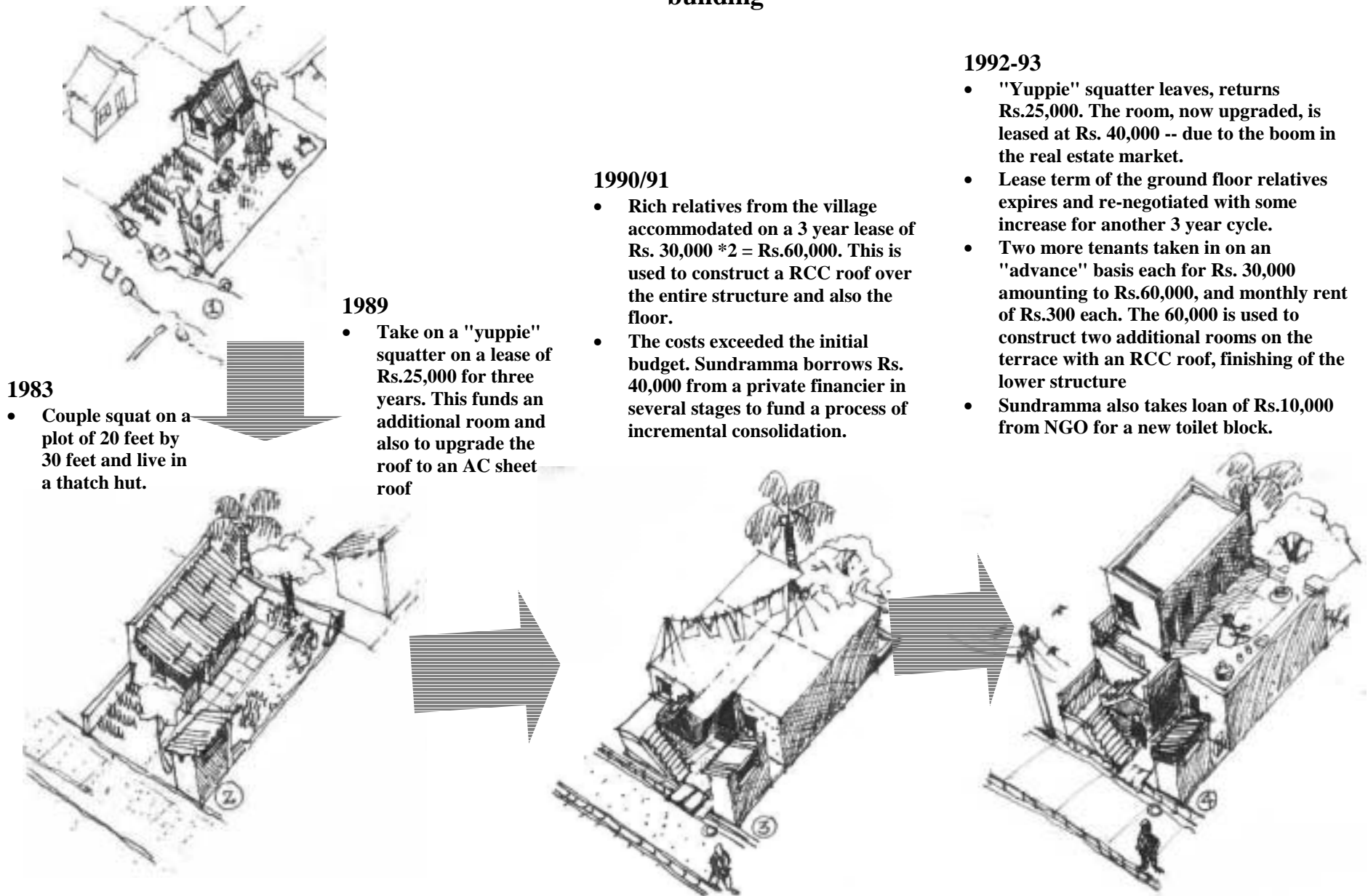


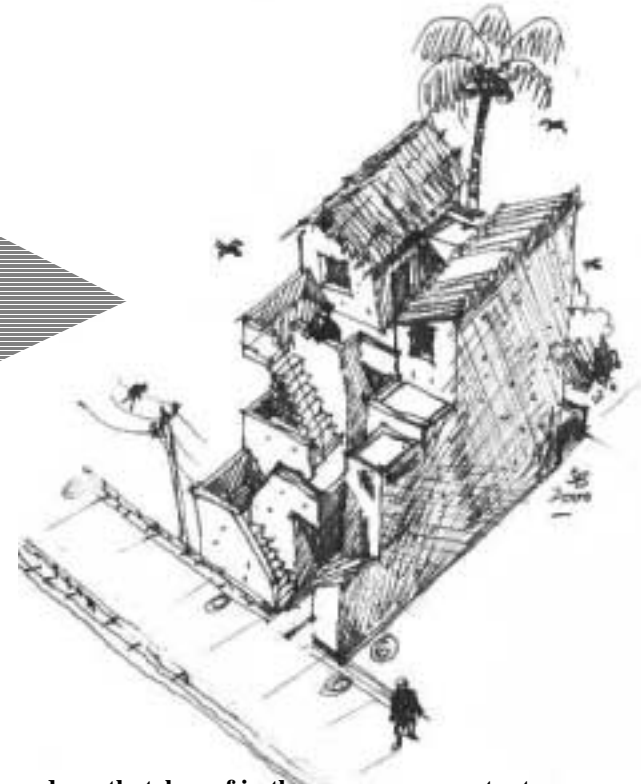
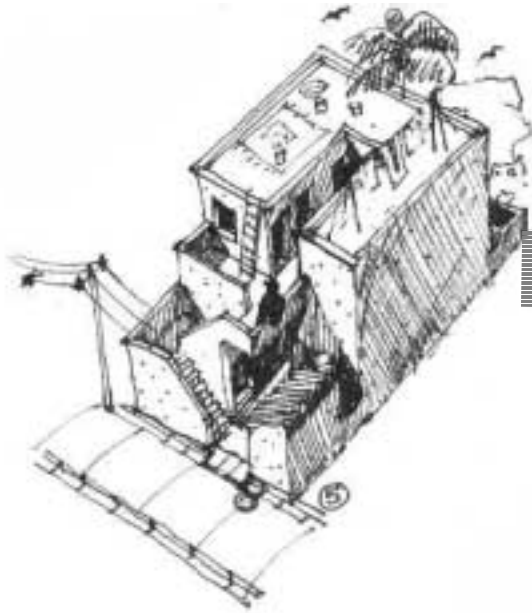


**Figure 5: “Thatch to RCC: The House that Sundramma built”**



**Figure 6: "Thatch to RCC: The process and cash flow during building**





### 1996-97

- Lease of the first floor tenants expired but Sundramma unable to pay back the advance amount deposited. Re-negotiates an increase in advance (by Rs.10,000) and rent (450).
- Approached by two more tenants offering a "lease" of Rs. 60,000 each for the same place so buys out the older tenants for Rs.80,000 out of the Rs.120,000 paid by the new tenants. Starts construction of the rooms on the remaining terrace space with the surplus.
- Two more tenants offer her 60,000 each for the two rooms under construction.
- Budget exceeds and she has to take a loan of Rs.40,000 from private financier to finish the construction.
- The severe pressure to repay the loan forces Sundramma and family to move out of the ground floor room and build a thatch hut for themselves on the terrace. Their original ground floor room fetches Rs.25,000 and she pays off half of Pvt. Financier's loan.

### 1999

- Living under a thatch roof in the monsoon accentuates her asthma. Husband's health also affected and both loose out on employment, and unable to keep up with their repayment.
- Neighborhood resident approaches Sundramma to offer to fund a room on the second floor terrace with Rs. 30,000. Decides to upgrade her roof too with the help of a loan of Rs. 60,000 from the private financier.
- Only 40,000 given which forces her to replace her thatch roof with an AC sheet one, but the tenant's roof is of RCC. Her own room is finished sparsely with no doors and Windows.
- Outstanding loan of Rs.30,000, but confident of repayment via the 'lease' method.
- Total estimated value of unit: Rs. 650,000





